



**FREEDOM OF INFORMATION
AND
PRIVACY ACTS**

SUBJECT: JOHN A MCCONE



FEDERAL BUREAU OF INVESTIGATION

PERSONNEL SECURITY QUESTIONNAIRE

INSTRUCTIONS—All sections must be completed Write "None" when applicable Type or print all answers If space not adequate for complete answers, attach a supplemental sheet to this form All addresses must show street number, street, city, and State

1 NAME (Last, first, middle)

Mc CONE, JOHN ALEX

2 OTHER NAMES (Include maiden name, if married woman)

3 PRESENT ADDRESS

1100 Oak Grove Avenue
San Marino, California June 3, 1950

4 ALL OTHER ADDRESSES FOR PAST 10 YEARS

434 South Rossmore 1938 to
Los Angeles, California 19435 DESCRIPTION (Check which) ☐ MALE ☐ FEMALE

RACE	HEIGHT	WEIGHT	COLOR EYES	COLOR HAIR
White	5' 9 1/2"	190	Brown	Brown-Grey

6 (Check which)

☐ SINGLE ☐ DIVORCED
☒ MARRIED ☐ WIDOW(ER)

7 BIRTH DATE

DAY	MONTH	YEAR
4	1	1902

8 BIRTHPLACE (City, county, State, and country)

San Francisco, California

9 CITIZENSHIP U S ☒ ALIEN ☐

IF U S CITIZEN INDICATE WHETHER

(A) BY BIRTH <input checked="" type="checkbox"/>	(C) BY NATURALIZATION <input type="checkbox"/>
(B) DERIVATIVE <input type="checkbox"/>	PETITION NO
DATE	DATE
CERTIFICATE NO	CERTIFICATE NO
PLACE	PLACE

IF ALIEN INDICATE

ALIEN REGISTRATION NO

DATE

PORT OF ENTRY

10 DRAFT BOARD NUMBER AND ADDRESS WITH WHICH REGISTERED

Local Board No. 238
4610 Beverly Blvd.
Los Angeles, California

11 SOCIAL SECURITY NO

562 09 7959

12 PERMANENT STATION AND ADDRESS IF NOW IN MILITARY SERVICE

12A PREVIOUS MILITARY SERVICE

SERIAL NO	BRANCH	FROM (Yr)	TO (Yr)
-	-	-	-

13 EDUCATION (All schools above elementary)

NAME OF SCHOOL	ADDRESS	FROM (Yr)	TO (Yr)	DEGREES
Los Angeles High	4600 Olympic Blvd. Los Angeles, Calif.	1915	1917	
Lowell High	Hayes & Masonic Ave. San Francisco,	1917	1918	
University of California Berkeley, California		1918	1922	B.S

14 EMPLOYMENT (LIST ALL EMPLOYMENT DATES INCLUDING PRESENT EMPLOYMENT AND ALL DATES OF UNEMPLOYMENT) GIVE NAME UNDER WHICH EMPLOYED IF DIFFERENT FROM NAME NOW USED

JUN 19 1 34 PM '50
SPECIAL INQUIRY SECTION

DATE FROM-TO	TYPE OF WORK	NAME OF EMPLOYER (COMPANY OR ORGANIZATION)	ADDRESS (Where employed)
1922-1929	Engineer and Superintendent	Llewlyn Iron Works	Los Angeles, California
1929-1937	Executive	Consolidated Steel Corporation (Successor to Llewlyn Iron Wks.)	Los Angeles, California
1937-1945	Executive	Bechtel-McCone Corporation	Los Angeles, California
1945- to date	Executive	Joshua Hendy Corporation (formerly California Shipbuilding Corporation) Pacific Far East Line, Inc.	Los Angeles, California Los Angeles, California

15 FOREIGN COUNTRIES VISITED (Since 1950) (Exclusive of military service)

COUNTRY	DATE LEFT U S A	DATE RETURNED U S A	PURPOSE
Mexico	June 1938	July 1938	Pleasure
Curaçao & Venezuela	Oct. 1943	Nov. 1943	Inspect construction work
Arabia	Feb. 1945	Mar. 1945	Visit construction work
Switzerland via France and England	Jul. 1946	Aug. 1946	Pleasure and discussions on gas turbines
G.B. France Switzerland and Italy	Jul. 1947	Aug. 1947	Pleasure
Gr.Br., Norway, Sweden France, Spain & Italy	Sep. 1949	Dec. 1949	Pleasure

16 ORGANIZATION MEMBERSHIP (Include all present and past membership during the last 15 years in organizations, except labor unions and religious organizations not covered by Question 17 below)

NAME ADDRESS TYPE FROM— TO— OFFICE HELD

17 ARE YOU NOW OR HAVE YOU EVER BEEN A MEMBER OF ANY ORGANIZATION WHICH HAS BEEN DESIGNATED BY THE UNITED STATES ATTORNEY GENERAL AS REQUIRED UNDER THE PROVISIONS OF EXECUTIVE ORDER 9835? (For your convenience, there is attached to this questionnaire as Appendix A, the current list of such organizations. Appendix A is hereby made an integral part of this Personnel Security Questionnaire.)

No

Answer "Yes" or "No"

18 ARE YOU NOW OR HAVE YOU EVER BEEN A MEMBER OF ANY COMMUNIST ORGANIZATION?

No

Answer "Yes" or "No"

19 ARE YOU NOW OR HAVE YOU EVER BEEN A MEMBER OF A FASCIST ORGANIZATION

No

Answer "Yes" or "No"

20 ARE YOU NOW OR HAVE YOU EVER BEEN A MEMBER OF ANY ORGANIZATION, ASSOCIATION, MOVEMENT, GROUP, OR COMBINATION OF PERSONS WHICH ADVOCATES THE OVERTHROW OF THE CONSTITUTIONAL FORM OF GOVERNMENT OF THE UNITED STATES OR OF ANY ORGANIZATION, ASSOCIATION, MOVEMENT, GROUP, OR COMBINATION OF PERSONS WHICH HAS ADOPTED A POLICY OF ADVOCATING OR APPROVING THE COMMISSION OF ACTS OF FORCE OR VIOLENCE TO DENY OTHER PERSONS THEIR RIGHTS UNDER THE CONSTITUTION OF THE UNITED STATES OR OF SEEKING TO ALTER THE FORM OF GOVERNMENT OF THE UNITED STATES BY

No

Answer "Yes" or "No"

UNCONSTITUTIONAL MEANS?

21 IF YOUR ANSWER TO QUESTIONS 17, 18, 19, OR 20 IS YES, STATE THE NAME OF THE ORGANIZATION, DATES OF MEMBERSHIP, AND EXTENT OF PARTICIPATION. AN EXPLANATION REGARDING MEMBERSHIP IN ANY OF THESE ORGANIZATIONS MAY BE ATTACHED HERETO ON A SEPARATE SHEET OF PAPER IF YOU DESIRE TO EXPLAIN THE CIRCUMSTANCES OF YOUR MEMBERSHIP.

NAME ADDRESS FROM— TO— OFFICE HELD

22 RELATIVES (Parents, spouse, divorced spouse, children, brothers, and sisters, living or dead)

RELATION	NAME IN FULL	AGE	ADDRESS	COUNTRY OF BIRTH	PRESENT CITIZENSHIP
Father	Alexander J. McCone		deceased	U.S.A.	
Mother	Margaret J. McCone		deceased	U.S.A.	
Wife	Rosemary McCone	48	1100 Oak Grove Ave San Marino, California	U.S.A.	U.S.A.
Sister	Alicia J. McCone	52	Rte. 2, Box 282 Arlington, California	U.S.A.	U.S.A.
Sister	Margaret J. Aigner	30	672 Winston Ave. San Marino, California	U.S.A.	U.S.A.
Sister	Mary Lou Thelby	48	466 Dalshurst Ave West Los Angeles, Calif.	U.S.A.	U.S.A.

23 REFERENCES (Name three persons, not relatives or employers, who are well acquainted with you)

NAME	ADDRESS	YEARS KNOWN
Mr. Asa Call Mr. K. K. Bechtel Mr. Paul Shields	523 West Sixth Street, Los Angeles, Calif. 155 Sansome St. San Francisco, 4, Calif. 30 Rockefeller Plaza, New York, N. Y.	

24 HAVE YOU EVER BEEN ARRESTED INDICTED OR SUMMONED INTO COURT AS A DEFENDANT IN A CRIMINAL PROCEEDING OR CONVICTED FINED OR IMPRISONED OR PLACED ON PROBATION IN CONNECTION WITH SUCH A PROCEEDING OR HAVE YOU EVER BEEN ARRESTED OR REQUIRED TO DEPOSIT BAIL OR COLLATERAL FOR THE VIOLATION OF ANY LAW POLICE REGULATION OR ORDINANCE (EXCLUDING MINOR TRAFFIC VIOLATIONS)?

IF YOUR ANSWER IS YES LIST ALL SUCH CASES IN ITEM 25 IN EACH CASE GIVE (1) THE CHARGE OR NATURE OF THE OFFENSE, (2) THE DATE (3) THE PLACE WHERE ARRESTED (4) DISPOSITION OR THE PENALTY IMPOSED IF ANY

Answer "Yes" or "No"

25 ARRESTS (Include all arrests and fines other than minor traffic violations)

CHARGE	DATE	PLACE WHERE ARRESTED	DISPOSITION
None			

CERTIFICATION

I CERTIFY THAT THE ABOVE INFORMATION IS CORRECT AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF I MAKE THIS STATEMENT TO THE U. S. ATOMIC ENERGY COMMISSION WITH THE UNDERSTANDING THAT IT WILL BE USED BY THE COMMISSION IN CARRYING OUT ITS DUTY TO PROTECT THE SECURITY OF THE ATOMIC ENERGY PROJECT AND WITH KNOWLEDGE THAT ANY FALSE STATEMENT OR OMISSION OF MATERIAL FACT MAY BE SUFFICIENT CAUSE FOR REJECTION OF MY APPLICATION OR DISMISSAL AFTER EMPLOYMENT FURTHER THAT ANY FALSE STATEMENT HEREIN MAY BE PUNISHED AS A FELONY UNDER SECTION 1001 TITLE 18 U. S. CODE

June 5, 1950
(DATE)

(USUAL SIGNATURE OF PERSON FILLING OUT QUESTIONNAIRE)
(Sign original only)

TO BE FILLED OUT BY AGENCY OR FIRM EMPLOYING

NAME OF AGENCY OR FIRM

Department of the Air Force, OSAF

ADDRESS

Washington 25, D. C.

BRIEF DESCRIPTION OF DUTIES (Description should not reveal classified information)

Under Secretary of the Air Force

WILL PERSON HAVE ACCESS TO RESTRICTED DATA?

☒ YES☐ NO

WILL PERSON HAVE ACCESS TO AN EXCLUSION AREA?

☒ YES☐ NO

(Check the one block applicable)

☐ FINGERPRINT CARD ATTACHED☐ T-1 ATTACHED (RESULTS OF F B I FINGER-PRINT FILE CHECK)☐ T-2 ATTACHED

T. A. MILLER

Major, USAF

Office of the Adm. Asst.

DO NOT COMPLETE SPACE BELOW

REFERRED TO F B I

RECEIVED FROM F B I

(SIGNATURE AND TITLE OF OFFICIAL REQUESTING CLEARANCE)

(SIGNATURE OF AEC LIAISON OFFICER)

(When appropriate)

APPENDIX A

Set forth below is a list of the organizations designated by letters of Nov. 24, 1947, May 27, 1948, Apr. 21, 1949, and July 20, 1949, by The Attorney General in accordance with the provisions of Executive Order No. 9835, as Totalitarian, Fascist, Communist, or Subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or as seeking to alter the form of the government of the United States by unconstitutional means

Totalitarian.

Black Dragon Society
 Central Japanese Association (Beikoku Chuo Nipponjin Kai)
 Central Japanese Association of Southern California
 Dai Nippon Butoku Kai (Military Virtue Society of Japan or Military Art Society of Japan)
 Hemuska Kai, also known as Nokubei Heieki Gimusha Kai, Zaibel Nihonjin, Heiyaku Gimusha Kai, and Zaibel Heimusha Kai (Japanese Residing in America Military Conscripts Association)
 Hinode Kai (Imperial Japanese Reservists)
 Hinomaru Kai (Rising Sun Flag Society—a group of Japanese War Veterans)
 Hokubei Zaigo Shoke Dan (North American Reserve Officers Association)
 Japanese Association of America
 Japanese Overseas Central Society (Kaigai Dobo Chuo Kai)
 Japanese Overseas Convention, Tokyo, Japan, 1940
 Japanese Protective Association (Recruiting Organization)
 Jikyoku Iin Kai (Current Affairs Association)
 Kibei Seinen Kai (Association of U S Citizens of Japanese Ancestry who have returned to America after studying in Japan)
 Nanka Teikoku Gunyudan (Imperial Military Friends Group or Southern California War Veterans)
 Nichibei Kogyo Kaisha (The Great Fujin Theatre)
 Northwest Japanese Association
 Peace Movement of Ethiopia
 Sakura Kai (Patriotic Society or Cherry Association—composed of veterans of Russo-Japanese War)
 Shinto Temples
 Sokoku Kai (Fatherland Society)
 Suiko Sha (Reserve Officers Association, Los Angeles)

Fascist:

American Nationalist Party
 American National Labor Party
 American National Socialist League
 American National Socialist Party
 American Patriots, Inc
 Ausland-Organization der NSDAP, Overseas Branch of Nazi Party
 Association of German Nationals (Reichsdeutsche Vereinigung)

Central Organization of the German-American National Alliance (Deutsche-Amerikanische Einheitsfront)
 Citizens Protective League
 Committee for Nationalist Action
 Dante Alighieri Society
 Federation of Italian War Veterans in the U S A, Inc (Associazione Nazionale Combattenti Italiani, Federazione degli Stati Uniti d'America)
 Friends of New Germany (Freunde des Neuen Deutschlands)
 German-American Bund (Amerikadeutscher Volksbund)
 German-American Republican League
 German-American Vocational League (Deutsche-Amerikanische Berufsgemeinschaft)
 Kyffhaeuser, also known as Kyffhaeuser League (Kyffhaeuser Bund), Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft)
 Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk)
 Lictor Society (Italian Black Shirts)
 Mario Morgantini Circle
 National Blue Star Mothers of America
 Nationalist Action League

Communist

Abraham Lincoln Brigade
 Abraham Lincoln School, Chicago, Illinois
 Action Committee to Free Spain Now
 American Association for Reconstruction in Yugoslavia, Inc.
 American Committee for European Workers' Relief
 American Committee for Protection of Foreign Born
 American Committee for Spanish Freedom
 American Committee for Yugoslav Relief, Inc.
 American Council for a Democratic Greece
 American Council on Soviet Relations
 American Croatian Congress
 American Jewish Labor Council
 American League Against War and Fascism
 American League for Peace and Democracy
 American Peace Mobilization
 American Polish Labor Council
 American Rescue Ship Mission (a project of the United American Spanish Aid Committee)
 American Russian Institute, New York
 American Russian Institute, Philadelphia
 American Russian Institute (of San Francisco)
 American Russian Institute of Southern California, Los Angeles

APPENDIX A

This Appendix is an integral part of the Personnel Security Questionnaire of the U. S. Atomic Energy Commission

Communist—Continued.

American Slav Congress
American Youth Congress
American Youth for Democracy
Armenian Progressive League of America
California Labor School, Inc., 216 Market St., San Francisco, California
Central Council of American Women of Croatian Descent, aka Central Council of American Croatian Women, National Council of Croatian Women
Citizens Committee To Free Earl Browder
Citizens Committee for Harry Bridges
Citizens Committee of the Upper West Side (New York City)
Civil Rights Congress and its affiliates
Comite Coordinador Pro Republica Espanola
Committee to Aid the Fighting South
Committee for a Democratic Far Eastern Policy
Commonwealth College, Mena, Arkansas
Communist Party, U. S. A.
Communist Political Association
Connecticut State Youth Conference
Congress of American Revolutionary Writers
Congress of American Women
Council on African Affairs
Council for Pan-American Democracy
Dennis Defense Committee
Detroit Youth Assembly
Emergency Conference to Save Spanish Refugees (founding body of the North American Spanish Aid Committee)
Friends of the Soviet Union
George Washington Carver School, New York City
Hawaiian Civil Liberties Committee
Hollywood Writers Mobilization for Defense
Hungarian-American Council for Democracy
International Labor Defense
International Workers Order, including People's Radio Foundation, Inc.
Jefferson School of Social Science, New York City
Jewish Peoples Committee
Joint Anti-Fascist Refugee Committee
Labor Research Association, Inc.
League of American Writers
Macedonian-American People's League
Michigan Civil Rights Federation
Michigan School of Social Science
National Committee for the Defense of Political Prisoners
National Committee to Win the Peace
National Conference on American Policy in China and the Far East (a Conference called by the Committee for a Democratic Far Eastern Policy)
National Council of Americans of Croatian Descent

National Council American-Soviet Friendship
National Federation for Constitutional Liberties
National Negro Congress
Nature Friends of America (since 1935)
Negro Labor Victory Committee
New Committee for Publications
North American Committee to Aid Spanish Democracy
North American Spanish Aid Committee
Ohio School of Social Sciences
Oklahoma Committee to Defend Political Prisoners
People's Educational Association
People's Institute of Applied Religion
People's Radio Foundation, Inc.
Philadelphia School of Social Science and Art
Photo League (New York City)
Progressive German - Americans, aka Progressive German-Americans of Chicago
Proletarian Party of America
Revolutionary Workers League
Samuel Adams School, Boston, Massachusetts
Schappes Defense Committee
Schneiderman-Darcy Defense Committee
School of Jewish Studies, New York City
Seattle Labor School, Seattle, Washington
Serbian Vidovdan Council
Slovenian-American National Council
Socialist Workers Party, including American Committee for European Workers' Relief
Socialist Youth League
Southern Negro Youth Congress
Tom Paine School of Social Science, Philadelphia Pa
Tom Paine School of Westchester, New York
United Committee of South Slavic Americans
United Harlem Tenants and Consumers Organization
United May Day Committee
United Negro and Allied Veterans of America
United Spanish Aid Committee
Veterans of the Abraham Lincoln Brigade
Walt Whitman School of Social Science, Newark, N. J.
Washington Bookshop Association
Washington Committee for Democratic Action
Washington Commonwealth Federation
Wisconsin Conference on Social Legislation
Workers Alliance
Workers Party, including Socialist Youth League
Young Communist League

Subversive:

Communist Party, U. S. A.
Communist Political Association
German-American Bund
Socialist Workers Party
Workers Party, aka Independent Socialist League
Young Communist League

Organizations which have "adopted a policy of advocating or approving the commission of acts of force and violence to deny others their rights under the Constitution of the United States"

American Christian Nationalist Party
Association of Georgia Klans
Columbians
Knights of the White Camellia

Ku Klux Klan
Original Southern Klans, Incorporated
Protestant War Veterans of the United States
Silver Shirt Legion of America

Organizations which "seek to alter the form of Government of the United States by unconstitutional means".

Communist Party, U. S. A.
Communist Political Association
Industrial Workers of the World
Nationalist Party of Puerto Rico

Socialist Workers Party
Workers Party, aka Independent Socialist League
Young Communist League

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

BUREAU

FILE NO. **77-26669**

REPORT MADE AT WASHINGTON, D.C.	DATE WHEN MADE 8/8/50	PERIOD FOR WHICH MADE 7/5, 12, 14, 19, 25/50	REPORT MADE BY ALBERT B. MILLER, SA ABM:msf
TITLE JOHN ALEX McCONE - WA-17925			CHARACTER OF CASE AEA-A

SYNOPSIS OF FACTS

*1/4 note to file
8/11/50
4/25/51*

REFERENCE: Bureau letter dated June 26, 1950.

AGENCY 1cc State
REQ. REC'D 3-8-51
REP'T FORW. 3-22-51
BY J. J. Miller

*1461 Ret. of original
with and destroyed
7-18-54 C. W. C.*

DETAILS: AT WASHINGTON, D. C.

Special Agent GEORGE G. DUFFY checked the records of the Passport Division, Department of State and ascertained that they reflect Passport #129746 was issued August 10, 1949, to JOHN ALEX MC CONE for proposed travel to England, Norway, Sweden, France and Spain for pleasure and business.

The application for this passport reflects the applicant's date of birth as January 4, 1902, at San Francisco, California. His permanent residence was listed as 1100 Oak Grove Avenue, San Marino, California and his parents were shown as ALEXANDER McCONE and MARGARET ENRIGHT McCONE, both born in California and deceased. His wife was listed as ROSEMARY COOPER, born February 10, 1902, at Nezperce, Idaho, and she resided with the applicant.

The applicant was previously issued San Francisco Series Passport No. 54407 on October 23, 1943, for proposed travel to Curacao, Venezuela, Columbia, and Panama on business. His residence at this time was listed as 434 South Rossmore Avenue, Los Angeles, California. This passport was renewed on February 19, 1945, at San Francisco. On

APPROVED AND FORWARDED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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WFO - 77-26669

this same date this passport was amended to be valid for travel to Saudi, Arabia, North Africa, Egypt, Trans-Jordan, Lebanon, Syria, Palestine, Iraq, Iran, India, and Great Britain on commercial business. There was nothing of a derogatory nature noted in this file.

Mr. HARRY C. TAPPRICH, Civil Service Commission Examiner, advised that there was no record of the applicant in the Investigative files of the Civil Service Commission.

- RUC -

WFO - 77-26669

ADMINISTRATIVE PAGE

The applicant in instant report is identical with Bureau file 77-40957 and the Washington Field Office also submitted a report on him on May 26, 1950, characterized Special Inquiry, White House.

Subj: JohnAddress: Ala

Birthdate: _____ SUPV: _____

Misc: _____

R# 546 Date 6/20 Searcher Initial 5

FILE NUMBER

SERIALS

JUN 26 1950

L 97-40957McCone JohnI 100-330098-6ADMcCone J. A.I 120-46218-34FMD



United States Department of Justice
Federal Bureau of Investigation
Washington 25, D. C.

IN REPLY PLEASE REFER TO
FILE NO _____

6-26-50

AIR MAIL

SAC, LOS ANGELES

RE: JOHN ALEX Mc CONE -WA-17925

ATOMIC ENERGY ACT - APPLICANT

Dear Sir:

You are instructed to conduct an immediate, thorough, discreet investigation concerning the character, associations, and loyalty of the above-named individual in accordance with the provisions of the Atomic Energy Act of 1946. The original and four copies of the report are to be transmitted to the Bureau by air mail unless ordinary mail is equally speedy, so as to reach the Bureau not later than 7-26-50.

Present address: 1100 Oak Grove Ave., San Marino, California.
Birthdate and birthplace: 1/4/02; San Francisco, California.
Social Security Number: 562-09-7959
Firm to employ and position involved. Under Secretary of the Air Force, Dept. of the Air Force, OSAP, Washington 25, D.C.

Conduct full investigation.

ALL OFFICES: Conduct a thorough and discreet investigation concerning the above named applicant who is Under Secretary of the Air Force. Assign to experienced and well qualified agent.

WASHINGTON FIELD: Check agencies and State Department.

NEW YORK: Reference: Mr. Paul Shields, 30 Rockefeller Plaza, New York, N. Y.

cc: SAN FRANCISCO
WASHINGTON FIELD
NEW YORK

Very truly yours,

John Edgar Hoover
Director

LEN:hjk
Form #79 to CSC

Item No. 16 - ORGANIZATION MEMBERSHIP

John A. McCone

Civic and Other Organizations:

Los Angeles Area Building Funds, Inc.
Engineering Advisory Council, University of California
California Institute of Technology
California State Chamber of Commerce
Naval Affairs Committee of the Los Angeles
Chamber of Commerce
Citizens' Committee for Reorganization of
Executive Branch of the Government
Welfare Federation of the Los Angeles Area
Greater Los Angeles Plans, Inc.
Hollywood Turf Club Associated Charities, Inc.
Loyola University of Los Angeles
The National Air Council

Southern California Symphony Association
American Heart Association

Society of Naval Architects and Marine Engineers
Propeller Club of the United States

Board Member
Council Member
Trustee
Board Member

Committee Member

National Committee Member
Board Member
Board Member
Trustee
Regent
Member Executive Board
of Managers
Board Member
Vice Chairman of National
Campaign '49. Sponser for 1950
Member
Member

Corporations and Partnerships

Joshua Hendy Corporation
California Shipbuilding Corporation
Pacific Far East Line, Inc.
Pacific Tankers, Inc. (Now Pacific Tankers
Division of Joshua Hendy Corporation)
Bechtel-McCone Corporation (In liquidation)
Industrial Indemnity Company
Founders' Fire & Marine Insurance Co.
Curtiss-Wright Corporation
California Bank of Los Angeles
The Hydrofoil Corporation
W. A. Bechtel Co. (In liquidation)
The W. A. Bechtel Company (In liquidation)
Bechtel-McCone (Incorporated) (In liquidation)
Philippine Industrial Equipment Company
Industrial Equipment Company
Industrial Indemnity Service Company
Consolidated Builders, Inc.
Joshua Hendy Iron Works
Marinship Corporation
Bechtel-Mannix
Evansville Shipyard
BMP Company (In liquidation)
Industrial Indemnity Underwriters

President & Director
President & Director
Chairman of the Board

President & Director
President & Director
Director
Director
Director
Director
Board Member
Board Member & V.P.
Board Member
Board Member
Board Member
Board Member
Board Member
Board Member
President & Director
Board Member & V.P.
Sub-Joint Venturer
Joint Venturer
Partner
Partner

Clubs

A.P.I. New York
California Club, Los Angeles
Annandale Golf Club, Pasadena
Metropolitan Club, Washington, D.C.
Deerpdale, New York
Pacific Union Club, San Francisco
Los Angeles Country Club, Los Angeles
Cypress Point Club, Pebble Beach, Calif.
The Links, New York

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **BUREAU**

FILE NO **116-25378**

REPORT MADE AT LOS ANGELES	DATE WHEN MADE 7/18/50	PERIOD FOR WHICH MADE 7/10, 11/50	REPORT MADE BY JOHN C. OAKES MTK
TITLE JOHN ALEX McCONE - WA - 17925			CHARACTER OF CASE ATOMIC ENERGY ACT - APPLICANT

REFERENCE: **Bulet to Los Angeles dated June 26, 1950**

DETAILS:

Interviews with WILLIAM CARLETON RYAN, Mrs. ELIZABETH KINSEY and Mrs. ROBERT L. MARTIN and investigations at Pasadena and San Marino, California, were conducted by SA JOHN L. SHAW. Interviews with Mr. ASA V. CALL and Mr. MAX SIMPSON were conducted by the writer and the remainder of the investigation by SA WILLIAM W. WOOD.

EMPLOYMENT

The following information was obtained on September 27, 1948:

WILLIAM CARLETON RYAN, Southern California Manager of Joshua Hendry Iron Works, 230 Edison Building, 601 West 5th Street, advised that he was personally acquainted with JOHN ALEX McCONE for the past eight years, and has been closely associated with him since February, 1941. Mr. RYAN advised that McCONE was Vice-President of the Consolidated Steel Corporation for approximately fifteen years. He left that employment to become a partner in the Bechtel - McCone Corporation, an engineering company. He became President of the Bechtel - McCone Corporation in 1941, and when the Bechtel - McCone Corporation joined in forming the California Shipbuilding Corporation Mr. McCONE was made Vice-President and General Manager. In 1942 Mr. McCONE was made President of the California Shipbuilding Corporation. In 1945, after the end of the war, the California Shipbuilding Corporation terminated its activity, and merged into the Joshua Hendry Iron Works. At

APPROVED AND FORWARDED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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that time Mr. McCONE became President and Director of this Corporation. Mr. McCONE was also Chairman of the Board for the Pacific Far East Lines, and Chairman of the Board for the Pacific Tankers Corporation.

Mr. JOHN ALEX McCONE has held several high Government positions, one of which was that of member of the President's Air Policy Committee. Mr. McCONE is a graduate of the University of California at Berkeley and is an engineer by profession.

Mr. RYAN advised that he was positive that Mr. McCONE had never belonged to any organization or group which would in any way reflect on his loyalty. Mr. McCONE is a staunch supporter of the present system of Government in the United States. Mr. RYAN advised that the general reputation and character of Mr. McCONE is excellent and that he is an outstanding man in the community. Mr. McCONE's associates are of the highest type, being men such as Governor EARL WARREN, and LEE DuBRIDGE, President of the California Institute of Technology.

The following information was obtained on May 18, 1950:

Mr. TERRANCE M. LEE, Joshua Hendry Corporation, 612 South Flower, Los Angeles, advised that he is an associate and secretary of Mr. McCONE, President of the Joshua Hendry Corporation, Los Angeles. Mr. LEE furnished the following data relative to Mr. McCONE's biography.

Mr. McCONE married ROSEMARY COOPER on June 21, 1938, and their permanent address is 1100 Oak Grove Avenue, San Marino, California. He stated they have no children. McCONE on graduation from the University of California in 1922, was employed as construction superintendent of Llewellyn Iron Works and later as superintendent of the Consolidated Steel Corporation which took over the Llewellyn Iron Works about 1929. He was executive vice-president and director of Consolidated Steel during 1933 to 1937. McCONE left this corporation in 1937 to form Bechtel - McCone - Parsons Corporation to engage in design, engineering, and construction of process plants, refineries, and power plants. He was the president and director of the California Shipbuilding Corporation from 1941 to 1947, president and director of Bechtel - McCone Corporation 1937 to 1946, president and director Joshua Hendry Corporation, Sunnyvale, California, 1945 to 1947, director of Marin Shipbuilding Corporation, Sausalito, California, 1942 to 1946, and director of the Oregon Shipbuilding Corporation 1941 to 1948. Mr. LEE stated that McCONE is presently active as president of the Joshua Hendry Corporation, Los Angeles;

chairman of the Board of Pacific Far East Line, Inc.; director of Industrial Indemnity Company of San Francisco; director of California Bank of Los Angeles; and director of Curtiss - Wright Corporation, New York City. Mr. LEE advised that McCONE's main activities were in connection with the Curtiss - Wright, Joshua Hendry Corporation, the Pacific Far East Lines and as a consultant for the Government in Washington, D. C., regarding the air forces program.

LEE stated McCONE had worked closely with Secretary FORRESTAL in connection with the air forces program and in preparing the budget in 1949 - 1950. Mr. McCONE was in Washington, D. C. during the latter part of 1948 and early 1949 with reference to the air forces program and since that date has also been to Washington as a consultant.

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He advised that Mr. McCONE is an active member of the Catholic Church in Pasadena and is a regent of the Loyola University, Los Angeles. He stated that Mr. McCONE had been active in assisting in directing building fund drives for various charitable organizations in Los Angeles. He advised that McCONE is considered to be a very intelligent man and a brilliant organizer, and that he is a top executive. He advised further that Mr. McCONE is entirely independent financially and that he knows that Mr. McCONE would not be influenced by any financial, political or personal pressures. Mr. LEE advised that Mr. McCONE is a registered Republican but that he is not active in political work. Mr. LEE advised that some of McCONE's close associates are Mr. ALDEN G. ROACH, director of Columbia Steel Corporation, San Francisco; EDWIN W. PAULEY of the E. W. Pauley Associates, Los Angeles; S. D. BECHTEL, Bechtel Corporation, San Francisco; and KENNETH BECHTEL, president, Industrial Indemnity Company, San Francisco.

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Mrs. KINSEY volunteered that the McCONES are good Catholic people, who live up to the teachings of the Church. They are generous in their contributions to both the Church and civic organizations, donating their time and their money for the betterment of the Church and community. They have an excellent family life, and an excellent reputation in the community. Their social standing and associates are of the highest in the community. Neither Mr. nor Mrs. McCONE belong to any organization which would reflect on their loyalty.

Mrs. KINSEY verified the employment of Mr. McCONE as President and Director of the Joshua Hendry Iron Works, former President of the California Shipbuilding Corporation, Chairman of the Board for Pacific Far East Lines, and Chairman of the Board for Pacific Tankers Corporation.

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The following information was obtained during the period of May 19, 22-24, 1950:

Mr. ARTHUR C. STEWART, vice-president, Union Oil Company, 617 West 7th Street, Los Angeles, advised that he has been acquainted with Mr. McCONE for 20 years and that he had followed his progress since Mr. McCONE had been with the Consolidated Steel Corporation and later with Bechtel - McCONE and most recently in connection with the Joshua Hendry Corporation. He said that among Mr. McCONE's close associates are Mr. ALDEN ROACH, Columbia Steel, and his brother, WILLIAM STEWART, executive vice-president of Union Oil Company. He advised that Mr. McCONE had married a daughter of a mining engineer about 10 years ago and that both McCONE and his wife are highly regarded by their associates and acquaintances. He described McCONE as being a very intelligent man, a top executive and an outstanding organizer. He advised that McCONE had done an outstanding job in connection with the war program and he was highly regarded by Government officials with whom

he had worked. He stated that Mr. McCONE had been a member of the President's Air Policies Commission and lately has been an active consultant with the Government in regard to the air forces program. He stated Mr. McCONE was far above average in his sense of moral responsibility, integrity and honesty. He advised that Mr. McCONE was financially independent and he felt that he would not be subject to any pressures, financial, political or personal. He said that there was absolutely no question in his mind as to the loyalty and patriotism of McCONE and that he could be given any position of trust and confidence. He advised that Mr. McCONE is considered to be a registered Republican, but that he does not participate actively in political circles.

Mr. FRANK L. KING, president, California Bank of Los Angeles, 629 South Spring, Los Angeles, advised that he has known Mr. McCONE for seven years and that he first became acquainted with him when Mr. McCONE was with Bechtel - McCone and that the Bechtel - McCone Corporation had done considerable business with the California Bank. He stated Mr. McCONE had recently been made a director of the California Bank and that this was not because of any stock holdings he had in the bank but because the bank had recognized him as being a very outstanding executive and organizer. He advised that one of the things that had stood out the most when he first met Mr. McCONE was that he considered him to be an unusually intelligent and smart businessman and that he had an outstanding amount of energy and drive. He advised that Mr. McCONE was highly regarded in the business world as to his integrity, honesty, character, reputation and moral conduct. He stated Mr. and Mrs. McCONE were active workers in the Catholic Church, and that Mr. McCONE had done work directing building fund drives for charitable organizations in the Los Angeles area. He stated that Mr. McCONE was believed to be a registered Republican voter, but that Mr. McCONE had never participated actively in political endeavors. He recommended Mr. McCONE without reservation as to his loyalty to the United States and for a position of trust and confidence.

Mr. P. D. HOLLE, regional manager, National Association of Manufacturers, 523 West 6th Street, Los Angeles, advised that he first became acquainted with Mr. McCONE when he was superintendent of the Llewellyn Iron Works, which later merged with the Consolidated Steel Corporation and subsequently became part of the Columbia Steel Corporation. He advised that among the applicant's associates were such men as REECE TAYLOR, president of Union Oil Company, and ALDEN ROACH, president of Columbia Steel Corporation. He advised that he had never known of any person who was more highly regarded in the business and industrial field than Mr. McCONE; that he enjoyed an excellent reputation and that his character, honesty and morals were considered above reproach.

He stated that Mr. McCONE had served as a director for approximately two years of the National Association of Manufacturers, shortly after the war. He stated Mr. McCONE was well regarded by organized labor in view of his labor and management organization which he had set up. He stated Mr. McCONE is without question completely loyal and patriotic to the United States and that he has no foreign sympathies. He advised that McCONE is the type of person who feels a definite responsibility to his work and to his fellow man and that he can be relied upon implicitly. He advised that Mr. McCONE had served on the President's Air Policy Committee and also as a consultant with reference to the air forces program. He stated that a considerable amount of Mr. McCONE's time in the past few years has been as a consultant for the Government and in directing the operation of the Joshua Hendry Corporation, the Pacific Far East Lines, and Curtiss - Wright Corporation, New York City. Mr. HOLLE advised that he was confident that Mr. McCONE was the type of person who would not be influenced by financial, political or personal pressures. He recommended Mr. McCONE without reservation.

Mr. PRESTON HOTCHKISS, president, Founders Fire and Marine Insurance Company, 523 West 6th Street, Los Angeles, advised that he had formerly been a director in the Ilwellyn Iron Works and the Consolidated Steel Corporation and that he had known Mr. McCONE since he was associated with those organizations. He described McCONE as being an excellent executive and an intelligent and outstanding businessman. He advised that Mr. McCONE was very highly regarded by his business associates and friends as being a man of complete sincerity and honesty and as being of good character, reputation and moral conduct. He stated Mr. McCONE was financially independent and that he would not be influenced by any financial, political or personal pressures. He recommended McCONE without any reservation as to his loyalty and patriotism to the United States. He advised that he has heard of no information which would reflect on McCONE's reputation, integrity or business activities. He stated Mr. McCONE had been married for approximately 10 years and that they had no children. He stated they are active in Catholic Church work and they both enjoyed an excellent reputation. He recommended Mr. McCONE for any position of trust and confidence.

Mr. WILLIAM C. McDUFFIE, president, Wilmington Gasoline Company, 555 South Flower, Los Angeles, advised he has known of Mr. McCONE for 15 years and that he knows Mr. McCONE to enjoy an outstanding reputation for integrity, sincerity and honesty. He stated that he is a member of the board of directors for the Northrop Aircraft Corporation and that Joshua Hendry Corporation has handled some contracts for Northrop, and that in recent years Mr. McCONE has taken over the Joshua Hendry Corporation. He advised that business transactions between Northrop and Joshua Hendry have always been completely satisfactory. He considers Mr. McCONE to be a very intelligent man, an outstanding executive and a hard worker. He advised that he has no

reason to question Mr. McCONE's loyalty to the United States. He advised that among Mr. McCONE's associates are such men as the Bechtel brothers of Bechtel - McCONE, HENRY J. KAISER and EDWIN W. PAULEY. He recommended Mr. McCONE for a position of trust and confidence in the Government. Mr. McDUFFIE concluded by stating that he is a member of the board of regents of the California Institute of Technology, Pasadena, and that Mr. McCONE was also appointed as a regent. He stated in this connection there was a discussion at the time of Mr. McCONE's appointment as a regent as to his background, and it was mentioned that some people might criticize Mr. McCONE as being one of those executives who had made a great deal of money during the war. Mr. McDUFFIE explained that he did not mean by this statement that Mr. McCONE had ever made money as a result of fraudulent or dishonest dealings, as he knows Mr. McCONE's honesty, sincerity and integrity are above reproach; however, he knew that some people did feel strongly about persons having made money as a result of the war effort. Mr. McDUFFIE reiterated that he did not mean that this statement should reflect on Mr. McCONE's character, but he felt that this feeling should be known, as many people were concerned about some executives having made as much money as they did during the war period.

Poor's Register of Directors and Executives for 1950 lists the following information regarding JOHN ALEX McCONE: Born in San Francisco, 1902; graduated from University of California in 1922; president Joshua Hendry Corporation; residence 1100 Oak Grove Avenue, San Marino; president of California Shipbuilding Corporation; director, Marin Ship Corporation; director Industrial Indemnity Company; chairman of board; Pacific Far East Lines, San Francisco; director of Curtiss - Wright Corporation, New York.

MAX SIMPSON, Assistant Secretary of the Joshua Hendry Corporation, 612 South Flower, Los Angeles, advised on July 11, 1950, that he has been acquainted with Mr. McCONE for about ten years and considered him to be a very splendid person of excellent character and reputation and a man of outstanding loyalty to the United States.

REFERENCE:

The following information was obtained on September 28, 1948:

Doctor LEE DuBRIDGE, President, California Institute of Technology, Pasadena, advised that JOHN ALEX McCONE was a trustee at the California Institute of Technology, and is a very close friend of Doctor DuBRIDGE. He stated that Mr. McCONE is an energetic and honest man, willing to spend time and money in Government service and to donate himself to the service of the people. He has handled many confidential matters concerning this Government, and there has never been any question as to the loyalty or discreteness of Mr. McCONE. Doctor DuBRIDGE stated that Mr. and Mrs. McCONE have excellent reputations and he highly recommends Mr. McCONE for any position of trust and confidence.

ASA V. CALL, President of the Pacific Mutual Life Insurance Company, 523 West 6th Street, advised on July 11, 1950, that he has been acquainted with Mr. McCONE as a business acquaintance and as a personal friend for a period of more than twenty years. He stated that he and McCONE had visited in each other's homes on numerous occasions. He stated that Mrs. McCONE is a splendid person and that Mr. McCONE and she enjoyed a happy domestic life. He advised that he considered McCONE's business ability as being outstanding and his character and reputation beyond any criticism. He further expressed the opinion that McCONE's loyalty to the United States was of the highest type and that McCONE's only reason for accepting responsibility in Washington was due strictly to his patriotism and interest in his Government and country. He stated that for more than twenty years acquaintanceship with Mr. McCONE he, CALL, could recommend the latter without reservation for a position of the highest responsibility and trust.

NEIGHBORHOOD

The following investigation was conducted on September 27, 1948:

VERA WOODS STRUB, 1050 Oak Grove Avenue, San Marino, California, a neighbor of Mr. and Mrs. McCONE advised that they are the finest people she has ever known. She advised that they are loyal and patriotic people, and that it would be difficult to find a better type of American. She stated that there was no doubt about the loyalty of Mr. McCONE.

Mrs. STRUB was also acquainted with Mrs. AICHER, sister of Mr. McCONE, and described her as a fine person with an excellent reputation.

Mrs. ROBERT L. MARTIN, 443 Rossmore Street, Los Angeles, advised that although she lived across the street from the McCONES she was not acquainted with them as neighbors. She advised that all of the people in this neighborhood possessed estates, and, therefore, are not neighborly. Mrs. MARTIN advised, however, that she knew Mr. McCONE, and knew of nothing unfavorable concerning him.

Due to the fact that this area, including the address of 434 Rossmore, Los Angeles, consists chiefly of estates of considerable size, it was not possible to locate other persons who were personally acquainted with Mr. and Mrs. McCONE.

The following information was obtained on May 20, 1950:

Mrs. CARL F. BRAUN, 1025 North Oak Grove, San Marino, California, advised that she and her husband have been social acquaintances of Mr. McCONE and his wife for approximately ten years. She advised that the McCONES

L A 116-25378

enjoyed a very excellent reputation and that they were considered to be respectable persons. She advised that they were highly regarded by their acquaintances and friends. She stated that she had no reason to question Mr. McCONE's loyalty to the United States.

Mrs. MARTIN CORY, 1107 North Oak Grove, advised that she and the McCONES had moved into the neighborhood approximately five years ago and that they had met socially. She advised that the McCONES enjoyed an excellent reputation and that they were considered to be persons of good moral conduct and were well liked in the community. She stated she had no reason to question the loyalty of Mr. McCONE.

GLENN F. McCLUNG, Chief of Police, San Marino, California, advised that he has been acquainted with Mr. McCONE since 1922 and has been rather in close contact with him during recent years, both being members of the University Club in Los Angeles. He described Mr. McCONE as being a wonderful person and a great asset to the community. Chief McCLUNG recommended McCONE without reservation as to his loyalty and patriotism and as to his character and reputation.

CREDIT

The records of the Pasadena Merchants Association reflected in 1948 that Mr. McCONE's credit rating is excellent.

The records of the Retail Merchants Credit Association as of July 11, 1950, reflected a satisfactory credit rating for McCONE.

CRIMINAL

Mr. McCONE is not on record with the Los Angeles Police Department or the Los Angeles County Sheriff's Office.

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

L A 116-25378

ADMINISTRATIVE SECTION

The records of the Los Angeles Sheriff's Office and Los Angeles Police Department were checked by SE DONALD F. TACKITT and those of the Retail Merchants Credit Association by SE GENE L. BURGE.

The bulk of the information contained herein was taken from the reports of SA JOHN L. SHAW, Los Angeles, dated September 29, 1948, and SA WILLIAM W. WOOD, Los Angeles, dated May 24, 1950, in connection with Bureau file 77-40957 and Los Angeles file 77-2423.

chairman of the Board of Pacific Far East Line, Inc.; director of Industrial Indemnity Company of San Francisco; director of California Bank of Los Angeles; and director of Curtiss - Wright Corporation, New York City. Mr. LEE advised that McCONE's main activities were in connection with the Curtiss - Wright, Joshua Hendry Corporation, the Pacific Far East Lines and as a consultant for the Government in Washington, D. C., regarding the air forces program.

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FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CC-159
18

To: COMMUNICATIONS SECTION.

Transmit the following message to: 7-17-50 D E F E R R E 2

SAC'S LOS ANGELES
SAN FRANCISCO
NEW YORK

JOHN ALEX MC CONE DASH WA DASH ACAA. REBULET TO LA JUNE TWENTYSIX.

DISCONTINUE.

HOOVER

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Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____

U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

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AUG 18 1950

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Per _____
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FEDERAL BUREAU OF INVESTIGATION
U S DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

JUL 17 1950

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FEDERAL BUREAU OF INVESTIGATION
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COMMUNICATIONS SECTION

JUL 17 1950

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FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Transmit the following Teletype message to:

FBI WASH FIELD

7/5/50

DIRECTOR

DEFERRED

JOHN ALEX MC CONE DASH WA. AEA.

REBULET JUNE TWENTYSIX. IDENT. WITH BUFILE SEVEN SEVEN DASH FOUR

NAUGHT NINE FIVE SEVEN. ALSO SEE WFO REPORT MAY TWENTYSIX LAST

CHARACTERIZED SPECIAL INQUIRY, WHITE HOUSE. UACB, WFO WILL CHECK

PASSPORT FILES ONLY AND SUREP. OTHER OFFICES NOT ADVISED.

HOTTEL

ABM:AHS

77-26669

RECEIVED TELETYPE UNIT
JUL 11 1950

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EX 40

Approved

Special Agent in Charge

Sent _____ M Per _____

116-18 2387-5

JAN 13 1955

NAME CHECK

116-182387-✓

January 11, 1955

JOHN A. MCCONE
Born: January 4, 1902
San Francisco, California

In response to your request you are advised that an applicant-type investigation was conducted by this Bureau at the specific request of the Secretary of State and completed in May, 1954. Results of this investigation were furnished to the Secretary of State and the White House on May 5, 1954. In the event you desire results of this investigation, you are referred to the Office of the Honorable Sherman Adams, Assistant to the President, the White House.

(77-40957; 116-182387)

The foregoing information is furnished to you as a result of your request for an FBI file check and is not to be construed as a clearance or a nonclearance of the individual involved. This information is furnished for your use and should not be disseminated outside of your agency.

Orig. to CIA
Reg rec'd 12-30-54
MGregorio/bjd/jg

(6)

Tolson _____
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Harbo _____
Mohr _____
Parsons _____
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Tamm _____
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Winterrowd _____
Tele Room _____
Holloman _____
Gandy _____

~~21 JAN 14 1955~~

ORIGINAL COPY FILED IN 44-1117-62

July 11, 1958

PERSONAL

Honorable John A. McCone
Commissioner
Atomic Energy Commission
Washington, D. C.

My dear Mr. McCone:

I was extremely pleased to learn of the confirmation of your appointment to the Atomic Energy Commission, and I did not want the opportunity to pass without extending my heartiest congratulations.

All of us in the FBI wish you every success in connection with your new duties and hope you will not hesitate to call upon us if we can be of any assistance.

Sincerely yours,
J. Edgar Hoover

1 Liaison

NOTE: Letter has previously been sent to Arthur S. Flemming extending congratulations. No data in Bufiles to preclude sending this letter and Liaison Section recommends sending it.

LH:je

(2)

52 JUL 25 1958

FBI

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REC-96

JUL 25 1958

UPI-55

(CONFIRMATIONS)

THE SENATE TODAY CONFIRMED THE NOMINATIONS OF A NEW MEMBER OF PRESIDENT EISENHOWER'S CABINET AND A NEW MEMBER OF THE ATOMIC ENERGY COMMISSION.

ARTHUR S. FLEMMING, FORMER PRESIDENT OF OHIO WESLEYAN UNIVERSITY, WAS CONFIRMED AS SUCCESSOR TO MARION B. FOLSOM AS SECRETARY OF HEALTH, EDUCATION AND WELFARE.

THE SENATE ALSO APPROVED JOHN A. MCCONE, 56, SAN FRANCISCO BUSINESS EXECUTIVE, TO THE ATOMIC ENERGY COMMISSION TO SUCCEED CHAIRMAN LEWIS L. STRAUSS. THE PRESIDENT IS EXPECTED TO NAME MCCONE TO THE CHAIRMANSHIP AFTER HE IS SWORN IN FOR HIS FIVE YEAR TERM.

7/9-P1146A

7/11/55

116-18 2387-6

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

DATE September 18, 1958

FROM : R. R. Roach

SUBJECT: JOHN A. MCCONE, CHAIRMAN
ATOMIC ENERGY COMMISSION (AEC)

Tolson	_____
Boardman	_____
Belmont	_____
Mohr	_____
Nease	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
Clayton	_____
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Gandy	_____

W. C. Sullivan

During conversation on September 16, 1958, Mr. Joseph Campbell, Comptroller General of the United States, remarked to the Liaison representative that he first met Chairman McCone, of AEC, at a small social affair on August 7, 1958. He added that he couldn't quite figure McCone out. Campbell did not offer to elaborate on this latter remark. However, he went on to state that McCone's wife has been trying to get the two couples together again since their initial meeting. Campbell has told his wife to put off Mrs. McCone's overtures. Campbell said that he just does not want to get close to McCone in view of his (Campbell's) position, as he felt it might be quite awkward in the event his General Accounting Office ever had occasion to make inquiries into the operation of the Atomic Energy Commission.

ACTION:

For information.

JMF:sa1 (4)
1-Mr. Belmont
1-Liaison Section
1-Mr. Fitzgerald

REC-5 116-182387-7

24 SEP 22 1958

EX-128

312
66 SEP 25 1958

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 06-06-2013
F32M43K63

1 - Mr. Parsons
1 - Mr. Ingram
1 - Mr. Belmont
1 - Mr. DeLoach
1 - Mr. Donahoe
1 - Mr. Jones

August 29, 1960

BY LIAISON

166
Honorable Gordon Gray
Special Assistant to the President
Executive Office Building
Washington, D. C.

My dear Mr. Gray:

In compliance with your request we have reinterviewed Mr. John A. McCone, Chairman, Atomic Energy Commission, in connection with the leak of National Security Council information which appeared in "The New York Times" on August 13, 1960.

During the interview Mr. McCone advised that at approximately 11:30 a.m. on August 12, 1960, he had briefed Atomic Energy Commissioners Mr. John S. Graham, Dr. Robert E. Wilson, and Mr. Loren K. Olson regarding the matters discussed at the National Security Council meeting that day. These members of the Atomic Energy Commission were also interviewed.

The results of our interviews of Mr. McCone and the above-mentioned commissioners of the Atomic Energy Commission are set forth in the enclosed report. A copy of this report is also being furnished to the Attorney General.

For your confidential information, Mr. McCone gave every indication of being forthright and fully cooperative during the reinterview. Following the reinterview and as the agents were leaving his office, Mr. McCone in an obviously personal comment made in an offhand manner the statement that it was his

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~~CONFIDENTIAL~~

SEE NOTE PAGE 2

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Malone _____
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Ingram _____
Gandy _____

*to Gray since
(he out of town until 9/16)
8/30/60
[Signature]*

[Signature]

[Signature]

Aug 29 6 01 PM '60

65-66219-23

ORIGINAL COPY FILED IN

~~CONFIDENTIAL~~

Honorable Gordon Gray

personal opinion that the publication of this article actually did no harm. He did not elaborate on this but also commented that he wondered why there was so much pressure on the investigation. At this point he was again reminded that he had received a memorandum from Mr. Gordon Gray that the investigation was to be conducted by the FBI at the President's request. Mr. McCone stated he was aware of this and realized the Bureau's investigation was being conducted at the President's request but it was his personal opinion that maybe the agents' time could be better spent on other official matters. It was pointed out to him that the Bureau was performing its responsibilities in other matters within its jurisdiction. He stated he understood the above situation.

In view of the obviously personal tenor of the above comments of Mr. McCone, they are not being set forth in the enclosed report.

Sincerely yours,

Enclosure

NOTE: Classified ~~Confidential~~ since letter encloses report so classified and it repeats information contained in letter from Gordon Gray, 8-15-60, which was so classified. Cover memorandum to Mr. Parsons from Mr. Belmont prepared 8-29-60 by ARJ:sh, re this outgoing.

- 2 -
~~CONFIDENTIAL~~

Tolson ✓
 Belmont ✓
 Mohr ✓
 Callahan ✓
 Conrad ✓
 DeLoach ✓
 Evans ✓
 Malone ✓
 Rosen ✓
 Sullivan ✓
 Tavel ✓
 Trotter ✓
 Tele. Room ✓
 Ingram ✓
 Gandy ✓

UPI-13

(MCCONE)

WASHINGTON--JOHN A. MCCONE GOT THE ATOMIC ENERGY COMMISSION OUT OF A SERIOUS JAM WITH CONGRESS.

"AND IF THE CIA NEEDS STRAIGHTENING OUT," SAYS A CLOSE ACQUAINTANCE, "JOHN MCCONE IS JUST THE MAN TO DO IT."

MCCONE, 59-YEAR-OLD SAN FRANCISCO INDUSTRIALIST, IS A GRACIOUS MAN, THE KIND WHO SMILES AND REMEMBERS TO SAY "PLEASE" AND "THANK YOU."

BUT OCCASIONALLY THE SMILE VANISHES. OCCASIONALLY THE BLUE EYES GLARE. THEN IT IS EASY TO BELIEVE WHAT ANOTHER ACQUAINTANCE SAYS:

"HE IS A TERRIBLY DEMANDING AND HARD-DRIVING BUSINESS EXECUTIVE. HE IS THE MAN-IN-CHARGE."

WHEN PRESIDENT KENNEDY PICKED MCCONE THIS WEEK TO SUCCEED ALLEN W. DULLES AS CIA DIRECTOR, THE CIA WAS STILL BEING BLAMED -- RIGHTLY OR WRONGLY -- FOR THE FAILURE OF THE U.S.-SUPPORTED ATTEMPT TO OVERTHROW THE CASTRO DICTATORSHIP IN CUBA.

BECAUSE OF THE 68-YEAR-OLD DULLES' SENSATIONAL CAREER AS A U.S. AGENT IN WORLD WAR II AND HIS DISTINGUISHED SERVICES SINCE, CIA CRITICS WERE RELUCTANT TO BLAME HIM PERSONALLY FOR THE CUBAN FIASCO.

BUT THERE HAVE BEEN CHARGES THAT "MIDDLE ECHELON" OFFICIALS IN HIS AGENCY HAVE REPEATEDLY GONE TOO FAR IN THEIR ZEAL AND OFTEN HAVE GOT THE COUNTRY INTO HOT WATER.

ONE OF THE THINGS BEING SAID OF MCCONE IS THAT WHEN HE TAKES OVER IN NOVEMBER, HE WILL BE THE BOSS AND THE CIA WILL ATTEMPT NO VENTURES WHICH HAVE NOT BEEN THOROUGHLY THOUGHT OUT IN ADVANCE.

WHEN HE TOOK OVER THE AEC IN MID-1958, IT WAS IN BAD TROUBLE WITH THE HOUSE-SENATE ATOMIC ENERGY COMMITTEE. THE COMMISSION CHAIRMAN, LEWIS L. STRAUSS, AND THE COMMITTEE CHAIRMAN, SEN. CLINTON P. ANDERSON, D-N.M., DESPISED EACH OTHER. THE ATOMIC PROGRAM SUFFERED.

MCCONE, A REPUBLICAN, QUICKLY WON OVER THE DEMOCRATIC MEMBERS OF THE COMMITTEE. WHEN HE ENDED HIS 2-1/2 YEARS AS AEC CHAIRMAN AND BOWED OUT WITH THE REST OF THE EISENHOWER ADMINISTRATION, COMMISSION-COMMITTEE RELATIONS NEVER WERE BETTER. THIS WAS A RESULT, HIS ADMIRERS SAY, OF BIPARTISANSHIP AT ITS FINEST.

9/29--GE936A

116-182387-1

64 OCT 5 1961

WASHINGTON CAPITAL NEWS SERVICE

71641

UNITED STATES GOVERNMENT

Memorandum

TO MR. W. C. SULLIVAN

FROM D. J. BRENNAN

SUBJECT JOHN MC CONE
DIRECTOR
CENTRAL INTELLIGENCE AGENCY (CIA)

DATE: June 7, 1962

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele Room _____
Holmes _____
Gandy _____

The Washington Post, June 7, 1962, carried a short item indicating that Mrs. Paul Pigott, a prominent Seattle widow, was to wed Mr. McCone in Seattle next fall. You will recall that the Liaison Section recently reported that McCone was reported to be making a trip to the Far East and additionally, CIA was tightly holding information that McCone would be in Seattle on personal business. McCone is in Southeast Asia at the present time and he very likely could have traveled to Seattle, which trip may fit in with the news item.

A review of Bureau files indicates that Mrs. Pigott is the widow of Paul Pigott, former President of the Pacific Car and Foundry Company, Renton, Washington. This firm was founded by Pigott's father about 1900 and allegedly was affiliated with the Bethlehem Pacific Coast Steel Company.

In 1943 the Bureau conducted an investigation involving Pigott in an alleged fraud against the Government. This investigation stemmed from reported irregular transactions between the Pacific Car and Foundry Company and the U. S. Ordnance Department. The results of our investigation were submitted to the Department with the request that the Bureau be advised if any further investigation was desired. No further investigation was requested.

In 1953 we conducted an investigation of Pigott for the Atomic Energy Commission; this was done in connection with the processing of a security clearance for Pigott. The only derogatory information which was reported was that pertaining to the above-described alleged fraud against the Government. (62-60527-42031 and 116-45073-10)

SJP:ban
(5)

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Liaison
- 1 - Mr. Papich

MCT-17

REC-49

EX-105

116-182387-11

JUL 12

5-10-62

JUN 18 1962

Memorandum Brennan to Sullivan
Re: JOHN MC CONE
DIRECTOR
CENTRAL INTELLIGENCE AGENCY (CIA)

With regard to Mrs. Pigott, Bureau files indicate that she is 57 years of age. McCone is 60 years of age. In 1947 the Pigotts had three sons and two daughters. Mrs. Pigott's maiden name was Theiline McGee.

In 1944 one informant reported that the mailing list of the Joint Anti-Fascist Refugee Committee carried the name of Mrs. Paul Pigott. You will recall that this was a procommunist organization but mailing lists did include individuals who were not communists or procommunists.

ACTION:

For information.

May 22, 1967

☐ Name Searching Unit - Room 6527
☐ Service Unit - Room 6524
☐ Forward to ☐
☒ Attention ☐
☒ Return to ☐ 64230 2400
Supervisor Room Ext

b6
b7C

☐ Regular Request (Analytical Search)
☒ All References (Subversive & Nonsubversive)
☐ Subversive References Only
☐ Nonsubversive References Only
☐ Main _____ References Only

☐ Restricted to Locality of _____

☒ Exact Name Only (On the Nose) **L**

☐ Buildup ☐ Variations **sect 1+2**

Subject JOHN A. McCONE
Birthdate & Place JAN 4, 1902 - SAN FRAN.
Address Former DIRECTOR of C.I.A.

Localities

R# _____ Date 5-22-67 Searcher
Initials R.T.

Prod.

	FILE NUMBER	SERIAL
L	77-40957	
I	116-182387	
✓	161-1709	
✓	87-86329	
✓	77-40957-158 (Summary 9-27-61)	
L	77-40957-62 (Summary 1-11-55)	
I	62-109090-236 (encl. Vol. Vg. #120-129)	
I	#106	
	25 records not listed	

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. W. C. Sullivan *WCS*

DATE 2/11/64

FROM : Mr. D. J. Brennan, Jr. *DJB*

SUBJECT: PRESIDENT'S FOREIGN INTELLIGENCE
ADVISORY BOARD

D. E. Moore

W. J. Brennan 7-1

Handwritten initials and marks

Tolson	
DeLoach	
Mohr	
Bishop	
Casper	
Callahan	
Conrad	
Felt	
Gale	
Rosen	
Sullivan	
Tavel	
Trotter	
Tele. Room	
Holmes	
Gandy	

You previously have been advised that the captioned Board was reviewing the case of Sergeant Jack E. Dunlap, the National Security Agency (NSA) employee who operated as a Soviet Agent and who committed suicide in July, 1963. J. Patrick Coyne, Executive Secretary of the Board, brought up this case when he met with the Director on 10/29/63. On 2/11/64, Coyne confidentially advised Agent Papich that the Board had completed its report which includes a review of the case and its ramifications which affect the counterintelligence capabilities of U.S. agencies. Coyne stated that the Board's findings and recommendations were being submitted to the Attorney General, State Department, Secretary of Defense and the Director of Central Intelligence. Each is being asked for views and comments. Coyne pointed out that a special communication was being directed to each of the above agencies in order to circumvent any move on the part of John McCone to assume the responsibility of coordinating the comments and observations of other agencies and having him submit one representative reply to the Board. According to Coyne, McCone had informally suggested that the matter be handled with him as the coordinator. Coyne has vehemently opposed this.

Coyne assumes that the Attorney General will refer the report and recommendations to the Bureau since there are certain items of interest to us. In this connection he made the following information available.

The Board recommends that steps be taken to assure that the FBI has adequate agent resources to effect "required domestic counterintelligence coverage of both Soviet-bloc and non-bloc official installations and personnel who may be engaged in intelligence or related activity." According to Coyne, the Board discussed problems encountered by the Bureau when much of its personnel is diverted to various problems and activities such as Civil Rights matters. The discussion included a statement, source not identified, that 200 additional Agents would be needed to handle domestic counterintelligence coverage.

- 1 - Mr. Belmont
 - 1 - Mr. Sullivan
 - 1 - Mr. Branigan
 - 1 - Liaison
 - 1 - Mr. Papich
- SJP:chs

25 FEB 24 1964

ORIGINAL COPY FILED IN 62-106913

66 FEB 28 1964

Memo Mr. Brennan to Mr. Sullivan
Re: PRESIDENT'S FOREIGN INTELLIGENCE
ADVISORY BOARD

Another recommendation reads that the policies of the State Department with respect to authorizing technical coverage be re-examined with a view of liberalizing such policies to the extent needed to provide adequate coverage. This recommendation was centered around the discussion dealing with State Department's reported refusal of a Bureau request to install technical coverage of certain diplomatic installations, not identified.

In another recommendation, the Board requests that in the future when consideration is being given to "exchange of spies", State Department should make certain that there is advance consultation with the Bureau and CIA in order to assure that adequate attention is given to all intelligence aspects. This recommendation was predicated on the Board's discussion on the Egorov case. The Egorovs were "traded" with the Soviets without consultation with the Bureau.

The Board also recommends that consideration be given to the establishment of an "interdepartmental counterintelligence mechanism to assure promulgation of counterintelligence policy," to assure proper guidance, exchange of information and the overall coordination of efforts in the counterintelligence field. Such a mechanism would not involve operational matters. This recommendation allegedly was based on information coming to the attention of the Board indicating that some agencies do not have the benefit of knowledge and experience gained by other agencies in countering Soviet penetrations. The recommendation does not specify exactly how such a mechanism will be established and how it will be directed. The recommendation reads that "consideration be given."

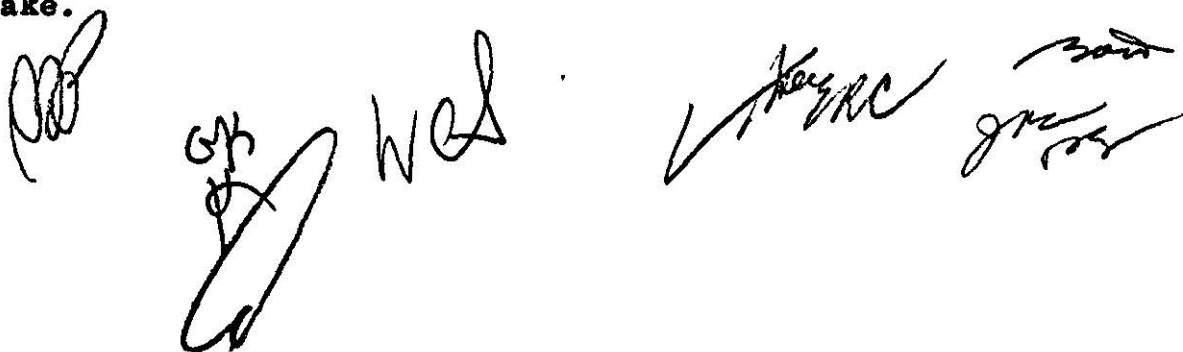
Other recommendations mentioned in the report pertain to (1) furnishing NSA complete responsibility for the security of its personnel and those assigned to the agency; (2) providing additional powers through legislation for the Director of NSA so that he can be in a stronger position to dispose of undesirable personnel; (3) that action be taken by Department of Defense (DOD) to assure clean-cut delineation of investigative responsibilities of investigative units within DOD; (4) the establishment of strict personnel security standards for all sensitive agencies; (5) that DOD give consideration to reviewing its present program involving reorganization of personnel every five years so that emphasis can immediately be placed on questionable security cases and that action then be taken on other personnel "across the board;" (6) that all sensitive agencies have adequate inspection systems; (7) that studies concerning the use of the polygraph be expedited; (8) that sensitive agencies have "counterintelligence oriented personnel" to review security cases; (9) that all personnel be fully indoctrinated

Memo Mr. Brennan to Mr. Sullivan
Re: PRESIDENT'S FOREIGN INTELLIGENCE
ADVISORY BOARD

concerning security; (10) that personnel handling counterintelligence matters be fully briefed concerning "sophisticated and professional information" regarding abnormal sexual activity, perversion, etc.; (11) that any agency having the responsibility on a particular security case be promptly furnished information in the possession of other agencies; (12) that "the need to know" principle be rigorously applied by all agencies; (13) that more cover positions be afforded to CIA in Soviet-bloc countries; (14) that State not restrict clandestine intelligence operations by U. S. personnel until full consideration is given at the highest level in Government. (According to Coyne, this is based upon State's refusal to permit CIA to run certain operations in Moscow relating to our sensitive source TOPHAT); (15) prevent construction of Soviet Embassy in Washington, D. C., area until the U. S. Government is satisfied that we can proceed with the construction of comparable facilities in Moscow; (16) that reciprocal arrangements be made to correct the serious imbalance in numbers of U.S. personnel stationed in Soviet-bloc countries as compared with Soviet-bloc personnel stationed in the U.S.; (17) that the White House be promptly notified when an agency receives information concerning a serious penetration of a U.S. installation. (This apparently was pointed toward DOD not reporting certain information to the White House on a more expedite basis.)

ACTION:

For information. If approved, we will wait for the Attorney General to refer the Board's report to us so that we can have the benefit of full details and exact language for any action we may be obliged to take.

The block contains several handwritten signatures and initials. From left to right, there is a signature that appears to be 'WEL', a large stylized signature, a signature that looks like 'Kearney', and another signature on the far right.

May 24, 1967

BY LIAISON

Mrs. Mildred Stegall
The White House
Washington, D. C.

Dear Mrs. Stegall:

Reference is made to your name check request concerning [redacted] and six other individuals.

b6
b7C

The central files of the FBI contain no pertinent derogatory information concerning [redacted] and [redacted]

The fingerprint files of the Identification Division of the FBI contain no arrest data identifiable with above individuals based upon background information submitted in connection with this name check request.

Enclosed are memoranda concerning [redacted]

[redacted] and John A. McCone.

A copy of this communication has not been sent to the Attorney General.

Sincerely yours,

- 1 - Mr. DeLoach (sent direct)
1 - Mr. Gale (sent direct)
1 - Mr. Rosen (sent direct)

Enclosures (10)

JCF:lbg (8)

ENCLOSURE

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele Room _____
Holmes _____
Gandy _____

51 MAY 27 1967

116-182387-12
NOT RECORDED

MAY 26 1967

19 MAY 25 1967

Delivered to Mrs. Stegall
on 5/24/67

ORIGINAL FILED IN 62-5-28480

✓

May 24, 1967

JOHN A. MC CONE

Mr. McCone has been the subject of several background-type inquiries conducted by the FBI in the past several years. Attached are summary memoranda setting forth the results of those inquiries dated May 5, 1954, June 12, 1958, June 24, 1958, June 30, 1958, and November 2, 1961.

Our files contain no additional pertinent information identifiable with captioned individual.

The fingerprint files of the Identification Division of the FBI contain no arrest data identifiable with captioned individual based upon background information submitted in connection with this name check request.

Enclosures (5)

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele Room _____
Holmes _____
Gandy _____

NOTE: Per request of Mrs. Mildred Stegall, White House Staff.

JMM:llm

(8)

MAIL ROOM ☐ TELETYPE UNIT ☐

73 ✓
ENCLOSURE

ENCLOSURE 116-182387-12

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1338007-0

Total Deleted Page(s) = 2
Page 160 ~ b3 - per IRS;
Page 385 ~ b3 - per IRS;

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X Deleted Page(s) X
X No Duplication Fee X
X For this Page X
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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

#432859

10/23/61

PLAIN TEXT

TELETYPE

URGENT

TO SACS WASHINGTON FIELD ENC. (4)

LOS ANGELES
SAN FRANCISCO
ST. LOUIS
NEW YORK

FROM DIRECTOR FBI

JOHN ALEX MC CONE, SPI. BUDED ~~NOVEMBER TWO~~ ^{OCTOBER THIRTY} NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JANUARY FOUR, NINETEEN ZERO TWO, SAN FRANCISCO, CALIF., AND IS PAST CHAIRMAN AEC. SEE WHO'S WHO FOR BACKGROUND DATA. DUE TO PROMINENCE OF MC CONE, YOU SHOULD CONDUCT NO NEIGHBORHOOD INVESTIGATIONS WITHOUT PRIOR BUREAU AUTHORITY. CAREFULLY REVIEW URFILES FOR ANY SUBSEQUENT INFORMATION CONCERNING MC CONE AND MAKE CERTAIN THAT ALL NECESSARY RECONTACTS ARE MADE. CONDUCT THOROUGH INVESTIGATION COVERING CHARACTER, LOYALTY, GENERAL STANDING AND ABILITY, ACCOUNTING FOR ENTIRE ADULT LIFE. COMPLETE NAMES AND CURRENT ADDRESSES OF ALL CLOSE RELATIVES MUST BE ASCERTAINED BY ACTIVE INVESTIGATION AND APPROPRIATE CHECKS MADE CONCERNING EACH. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED

~~OF NOVEMBER TWO~~ ^{OCTOBER THIRTY} NEXT IS MET WITHOUT FAIL. IF POOR FINANCIAL

FEDERAL BUREAU OF INVESTIGATION

U. S. DEPARTMENT OF JUSTICE

COMMUNICATIONS SECTION

OCT 23 1961

TELETYPE

MAIL ROOM ☐

TELETYPE UNIT ☒

MCT-43

REC-39

NOTE: Request received telephonically 10/23/61 from White House.

OCT 25 1961

BACKGROUND ON PART OF APPOINTEE IS DEVELOPED DURING INVESTIGATION,
YOU MUST MAKE SPECIFIC INQUIRY TO DETERMINE WHETHER ANY TAX LIENS
HAVE BEEN FILED AGAINST HIM, AND THE RESULTS OF ANY LITIGATION
INVOLVING NONPAYMENT OF OBLIGATIONS, EITHER PUBLIC OR PRIVATE.

DEADLINE MUST BE MET.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 23 1961

TELETYPE

734M

- 2 -

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 23 1961

TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DKJ
I 432859

URGENT 10-23-61 7-34 PM RAM

TO SACS WASHINGTON FIELD, LOS ANGELES, SAN FRANCISCO, ST. LOUIS
& NEW YORK

FROM DIRECTOR 2 P

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JANUARY FOUR, NINETEEN ZERO TWO, SAN FRANCISCO, CALIF., AND IS PAST CHAIRMAN AEC. SEE WHO/S WHO FOR BACKGROUND DATA. DUE TO PROMINENCE OF MC CONE, YOU SHOULD CONDUCT NO NEIGHBORHOOD INVESTIGATIONS WITHOUT PRIOR BUREAU AUTHORITY. CAREFULLY REVIEW URFILES FOR ANY SUBSEQUENT INFORMATION CONCERNING MC CONE AND MAKE CERTAIN THAT ALL NECESSARY RECONTACTS ARE MADE. CONDUCT THOROUGH INVESTIGATION COVERING CHARACTER, LOYALTY, GENERAL STANDING AND ABILITY, ACCOUNTING FOR ENTIRE ADULT LIFE. COMPLETE NAMES AND CURRENT ADDRESSES OF ALL CLOSE RELATIVES MUST BE ASCERTAINED BY ACTIVE INVESTIGATION AND APPROPRIATE CHECKS MADE CONCERNING EACH. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED OF OCTOBER THIRTY NEXT IS MET WITHOUT FAIL. IF POOR FINANCIAL BACKGROUND ON PART OF APPOINTEE IS
END PAGE ONE

PAGE TWO

DEVELOPED DURING INVESTIGATION, YOU MUST MAKE SPECIFIC INQUIRY TO DETER-
MINE WHETHER ANY TAX LIENS HAVE BEEN FILED AGAINST HIM, AND THE
RESULTS OF ANY LITIGATION INVOLVING NONPAYMENT OF OBLIGATIONS, EITHER
PUBLIC OR PRIVATE. DEADLINE MUST BE MET.

END & ACK PLS

SF OK FBI ~~SF~~ WM

SL OK FBI ~~SL~~ EMR

TU DISC

M

Federal Bureau of Investigation
Records Branch

, 19__

<input type="checkbox"/>	Name Searching Unit - Room 6527
<input type="checkbox"/>	Service Unit - Room 6524
<input type="checkbox"/>	Forward to File Review
<input type="checkbox"/>	Attention _____
<input checked="" type="checkbox"/>	Return to <u>Sup. M. Burke</u> 1262
	Supervisor Room Ext.

Type of References Requested:

<input type="checkbox"/>	Regular Request (Analytical Search)
<input checked="" type="checkbox"/>	All References (Subversive & Nonsubversive)
<input type="checkbox"/>	Subversive References Only
<input type="checkbox"/>	Nonsubversive References Only
<input type="checkbox"/>	Main _____ References Only

Type of Search Requested:

<input type="checkbox"/>	Restricted to Locality of _____
<input type="checkbox"/>	Exact Name Only (On the Nose)
<input type="checkbox"/>	Buildup <input type="checkbox"/> Variations

Subject John Aley McCone
 Birthdate & Place 11/4/02 San Fran.
 Address _____

Localities Utah 1958 21 1961

R# 29 Date 10 OCT 21 1961 Searcher 2872 Initials 2872

Prod. 2872 2872

FILE NUMBER

SERIAL

ND I	77-40957	
ND I	116-182387	
ND I	62-82221-1894	
ND I		1906
LT I	77-40957-158	Sum 9/27/61
LT I	77-40957-62	Sum 9/11/55
ND	80-160-405	SP. FILE ROOM 131515 D. J. T. Bar Source
ND	62-80750-3842	
ND	ALL INFORMATION CONTAINED	3834
ND	HEREIN IS UNCLASSIFIED	3240
ND	DATE 3-22-02 BY SP-4 BJA/NDP	3843
ND	#432859	3845
ND I	62-80750-A	Unsub. Bur. Sum 9/27/61
ND I		Exempt. Sum 9/27/61
ND I	62-82221-2041	
ND I		2038
ND I		2016
ND I		1961

NUMEROUS REFERENCE

SEARCH SLIP

Subj: John A. Day McLoone

Supervisor _____ Room _____

R# 29 Date 10/24 Searcher Initial Exp

Prod. _____

FILE NUMBER

SERIAL

John ANDI 62-82221-1915NDI 2048NDI 2054NDI 62-82221-A Atomic Energy(note on card) Commission 10/12/60NDI 62-106778-A 5/12/60Wash Capital News ServiceNDI 63-1423-99✓ I 65-66219-34 hand✓ I 33 handNDI 94-48326-12NDI 100-480791-1NDI 105-42300-1406NDI 105-41040-100NDI 117-1852-A 9/19/58Wash Capital News ServiceJohnNR 7-87 HS (439)NDI 62-82221-1998NDI 62-104763-68NDL 62-80750-3825NDI Sp. File from 1351B D.I.V.NDI 100-428091-554 RECORDED 760

NUMEROUS REFERENCE

SEARCH SLIP

Subj: John, Alex. McCono

Supervisor _____

Room _____

R# (29) Date _____

Searcher _____

Initial _____

Prod. _____

FILE NUMBERSERIAL~~NDI~~John
100-354445-34X3~~NDI~~

100-351585-A

~~NDI~~

Even Star. 10/13/59 ✓

~~NDI~~

105-13802-66

~~NDI~~

116-442786-33

~~NDI~~Ja
62-82221-208210

10/6/61

AIRTEL

AIR MAIL

TO: DIRECTOR, FBI
FROM: SAC, SAN FRANCISCO (77-2520)

JOHN A. MC CONE *JOHN ALB X MC CONE*
INFORMATION CONCERNING

ReNYtel 10/5/61 captioned "RALPH P. FLEGAL,
CIVIL RIGHTS MATTER."

FLEGAL contacted today and asked about the information he had regarding JOHN A. MC CONE. He stated that he had met the Attorney General at San Francisco International Airport on 10/6/61 and had furnished the Attorney General with the complete details in a type-written manuscript. He stated that the information concerned MC CONE's business practices during World War II. FLEGAL stated that it was his opinion that some of MC CONE's business practices, although legal, were not in the true spirit of a patriotic American, and in his opinion they bordered on war profiteering.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

II 432859

3 - Bureau (AM)
2 - San Francisco
1 cc: 44-375 (FLEGAL)
1 cc: 88-807 (AG VISIT)

GAH:cmr
(6)

1161-1709
NOT RECORDED
150 DEC 5 1961

62 DEC 7 1961

ORIGINAL COPY FILED IN 77-40957-162

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont *BM*

DATE: December 6, 1961

FROM : W. C. Sullivan *WCS*SUBJECT: SUDDEN DEATH OF MRS. JOHN A. McCONE,
WIFE OF JOHN A. McCONE, DIRECTOR OF
CENTRAL INTELLIGENCE AGENCY

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

see index

Liaison just learned of the sudden death of Mrs. McCone at 8:00 a.m. today. According to James Hunt, Central Intelligence Agency, Mrs. McCone suffered from a "24-hour virus infection" over the Thanksgiving weekend; however, she reportedly had overcome this illness. Mr. Hunt attended a dinner party with the McCones last night and while sitting next to Mrs. McCone was told that she was again feeling much better and was in good health.

It is reported that Mr. McCone found his wife at 7:10 a.m. unconscious in her bedroom and she passed away at 8:00 a.m. en route to the hospital.

John Alex McCone

ACTION:

There is attached for approval a letter to Mr. McCone offering the Director's condolence in this situation.

Enclosure *sent 12-6-61*

mwk
 MWK:mls (8)
 1-Mr. Belmont
 1-Mr. Mohr
 1-Mr. Sullivan
 1-Mr. DeLoach
 1-Mr. Papich
 1-Mr. Kuhrtz
 1-Liaison

B REC-31

MCT-32

EX-11

25 DEC 8 1961

DEC 8 1 40 PM '61

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DRW

1E 432859

175
 57 DEC 13 1961

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Sullivan *WCB*

FROM : R. O. L'Allier *L'*

SUBJECT: MRS. JOHN A. MC CONE *Deceased*

DATE: December 6, 1961

Tolson _____

Belmont _____

Mohr _____

Callahan _____

Conrad _____

DeLoach _____

Evans _____

Malone _____

Rosen _____

Sullivan ☒

Tavel _____

Trotter _____

Tele. Room _____

Ingram _____

Gandy _____

for

WCB

L'Allier

PC

Mrs. John A. McCone, 53, wife of the Director of the Central Intelligence Agency (CIA) died at 7:00 a.m., today in an ambulance en route from her home at 3025 Whitehaven Street, Northwest, to George Washington University Hospital. Cause of death was apparently a heart attack.

Washington, DC

Her funeral will be tomorrow December 7, 1961, at 11:00 a.m. at St. Thomas Apostle Catholic Church, 2665 Woodley Road, Northwest. Burial will be in San Marino, California.

Since Mr. McCone is the Chairman of the United States Intelligence Board (USIB), on which the Bureau has representation, it is felt that the Bureau should be represented at the funeral tomorrow.

ACTION:

SA L'ALLIER

As the Bureau alternate on USIB, I will attend the funeral unless I hear to the contrary.

1-Mr. Belmont

1-Mr. Sullivan

1-Mr. DeLoach

1-Mr. Kuhrtz

1-Liaison

ROL:mdg (6)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/OPW

432859

EX-113

64 DEC 14 1961

REC-12

161-1709-4

25 DEC 8 1961

DEC 1 6 33 AM '61

DIRECTOR

December 6, 1961

1-Original
1-yellow; 1-Belmont;
1-Mohr; 1-Sullivan;
1-DeLoach; 1-Papich;
1-Kuhrtz; 1-Liaison

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW
11432859

BY COURIER SERVICE

Honorable John A. McCone
3025 Whitehaven Street, Northwest
Washington, D. C.

My dear Mr. McCone:

I was greatly saddened to learn of
the sudden passing of your wife this morning,
and I want you to know that you have my deepest
sympathy.

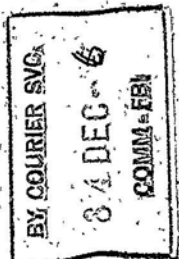
If there is anything at all that my
associates and I can do to help you at this time,
I hope you will let me know at once.

Sincerely yours,

J. EDGAR HOOVER

MWK:mls (9)

(Cover memo Sullivan to Belmont 12/6/61
RE: SUDDEN DEATH OF MRS. JOHN A. MCCONE,
WIFE OF JOHN A. MCCONE, DIRECTOR OF CIA
MWK:mls)



Tolson _____
Parsons _____
Mohr _____
Belmont _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Tavel _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

MAIL ROOM ☐ TELETYPE UNIT ☐

REC'D-READING ROOM

FBI

DEC 6 2 20 PM '61

REC-4

DEC 2 1961

161-1709-5

19 DEC 11 1961

66 DEC 13 1961

UNITED STATES GOVERNMENT

Memorandum

TO : MR. BELMONT

DATE: October 23, 1961

FROM : C. A. EVANS

SUBJECT: JOHN A. MC CONE
SPECIAL INQUIRY - WHITE HOUSE

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

Mr. P. Kenneth O'Donnell, Special Assistant to the President, has today requested a copy of the previous Special Inquiry summary prepared during the Eisenhower Administration on John A. McCone who has been named as the new Director of the Central Intelligence Agency; and in addition, has requested that this investigation be brought up to date. The previous summary on McCone was dated June 30, 1958.

This is being referred to the field for immediate action and will be handled on the most expeditious basis possible.

NOT RECORDED
JAN 10 1962

CAE:LS
(6)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY

II 432859

SP4 BJA/DFW

Ordained
Tel to LA, SF
w/pt, LA, SF
ST. Louis
10/23/61
DHV:ellb

Office Memorandum • UNITED STATES GOVERNMENT

TO : Courtney Evans

FROM : Kenneth O'Donnell

SUBJECT: McCONE, John A.

DATE: Oct. 23, 1961

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DPW
#432859

Would you send me a copy of the previous report on the
above-named individual. Attached is background information
on Mr. McCone. Would you also bring this report up to date.

REC'D DEPT OF JUSTICE

REC-75

1-1209-7
16 JAN 8 1962

ENCLOSURE

201-108

Spec. Ind.

Excluded
Relate
w/pts. to
at 10:30
10/13/61
DHY: R

ALL INFORMATION CONTAINED in this envelope
HEREIN IS UNCLASSIFIED
DATE 22802 BY SP4BJA/DFW
IL 432859

161-270-7

ENCLOSURE

~~SECRET~~
~~BACKGROUND INFORMATION~~

JOHN A. McCONE

John Alex McCone was born in San Francisco, California, January 4, 1902, son of Alexander J. and Margaret (Enright) McCone.

He was graduated by Los Angeles High School in Los Angeles and is an alumnus of the University of California, College of Engineering, Class of 1922.

Mr. McCone began his business career as construction engineer for Llewellyn Iron Works in 1922. In 1929 this company and others merged to form the Consolidated Steel Corporation. Mr. McCone served progressively as Construction Manager, Vice President in Charge of Sales, and Executive Vice President and Director of the Consolidated Steel Corporation.

In 1937 the Bechtel-McCone Corporation was organized and Mr. McCone became President and Director. The engineering firm engaged in the design, engineering and construction of petroleum refineries, power plants, and process plants throughout the United States, in South America, and in Arabia.

During World War II under the management of Bechtel-McCone Corporation, the Birmingham Aircraft Modification Center at Birmingham, Alabama, was designed, constructed and operated. This facility was the largest of its kind in the country and was responsible for the modification of B-24 and B-29 bombers and other combat aircraft.

Mr. McCone also was President and Manager of the California Shipbuilding Corporation, the second largest "emergency shipyard" in the United States during World War II. This company constructed 467 ships, including cargo vessels, tank ships and troop transports. Mr. McCone also was a director of Marinship Corporation (Sausalito, California), builder of 15 liberty ships and 78 turbo-electric T-2 tankers. He also served as a director of Oregon Shipbuilding Corporation.

In 1945 Bechtel-McCone increased their ownership of the Joshua Hendy Iron Works of Sunnyvale, California, and Mr. McCone became President of this company, which produced many types of heavy machinery and equipment including propulsion units for Liberty and Victory ships, reduction gears, heavy equipment for reclamation projects, diesel engines, etc. This

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DATE 2-28-02 BY SP4BJA/DRW

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oath of office at the White House and was designated Chairman of the Commission by the President.

In the Los Angeles community Mr. McCone has served on various boards and committees, including the Board of Trustees of California Institute of Technology, Board of Regents of Loyola University, the Welfare Federation of Los Angeles (Community Chest), Hollywood Turf Club Associated Charities, Air Pollution Board, and various philanthropic organizations. He was one of the organizers and President of the Los Angeles World Affairs Council.

Mr. McCone is a member of Phi Kappa Sigma Fraternity, the California Club and the Los Angeles Country Club in Los Angeles, the Pacific Union Club in San Francisco, the Links Club in New York, and the Burning Tree and Metropolitan Clubs in Washington, D. C.

Mr. McCone married Miss Rosemary Cooper on June 21, 1938. Their California residence is at 1100 Oak Grove Avenue, San Marino.

Commission, with report "Survival in the Air Age," published in 1948, served as a basis for the nation's air policy for several years.

During 1948 Mr. McCone served as Special Deputy to Secretary of Defense James Forrestal, and in this capacity was responsible to the Secretary of Defense for the preparation of the first and second budgets of the newly formed Department of Defense.

In June 1950 Mr. McCone was appointed Under-Secretary, Department of the Air Force, with primary responsibility for the procurement of new aircraft and the construction of air bases throughout the world. He retained this post until October 9, 1951.

Early in 1954, Secretary of State Dulles appointed Mr. McCone to the State Department's Public Committee on Personnel, which was formed particularly to survey the urgent requirement for increasing the effectiveness of the career services of the Department of State.

On June 6, 1958, President Eisenhower nominated Mr. McCone for a five-year term as a member of the Atomic Energy Commission. The nomination was approved by the United States Senate on July 9, and on July 14, 1958, Mr. McCone took the

company also owned and operated the Crocker-Wheeler Electric Manufacturing Company of Ampere, New Jersey.

Subsequently, a new corporation was formed and Mr. McCone became President of Joshua Hendy Corporation. This company, through its Pacific Tankers Division, has been actively engaged in the shipping business, operating tankers in world trade and cargo ships in the Pacific.

In 1948, Mr. McCone became Chairman of the Board of Directors of Pacific Far East Line, Inc., one of the largest western steamship companies flying the American flag.

He served as director of various banking and insurance corporations but has terminated all business officerships.

In addition to business activities, Mr. McCone has served the United States Government in several important capacities.

In 1947, he was a member of the President's Air Policy Commission. "Survival in the Air Age" published

COMMUNICATIONS SECTION

OCT 25 1961

TELETYPE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

432859

URGENT 10-25-61 11-28 AM GH

TO DIRECTOR, FBI AND SAC WASHINGTON FIELD

FROM SAC, ST. LOUIS 161-833

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. REBUTEL

OCTOBER TWO THREE LAST. APPOINTEE-S OPF FORWARDED ATOMIC
ENERGY COMMISSION, WASH., D. C. OCTOBER SEVENTEEN, FIFTYEIGHT.

WFO BRING UP TO DATE. RUC.

END AND ACK PLS

V12-28 PM OK FB WA JA

TU DISC

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Mr. Ingram _____
Miss Gandy _____

NOT RECORDED

16 JAN 8 1962

TWO COPIES WFO

1-cc destroyed 11-27-61 w HB/yjl.

10/25/61

PLAIN TEXT

TELETYPE

DEFERRED

TO SACS LOS ANGELES
SAN FRANCISCO
CHARLOTTE
BOSTON
DENVER
SPRINGFIELD
HOUSTON
ALBUQUERQUE
SEATTLE
ATLANTA
MEMPHIS
OMAHA
BUTTE
ALBANY
SALT LAKE CITY
NEW YORK
OKLAHOMA CITY
WASHINGTON FIELD (BSM)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-82 BY SP4BJA/DFD

432859

FROM DIRECTOR FBI

JOHN ALEX MC CONE, SPI. BUDED OCT. THIRTY NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JAN. FOUR, NINETEEN TWO, SF, CALIF.; IS PAST CHAIRMAN AEC. SEE WHO'S WHO FOR BACKGROUND DATA. SECURE COMMENTS OF FOLLOWING: SENATORS JOHN O. PASTORE, RHODE ISLAND; RICHARD B. RUSSELL, GEORGIA; CLINTON P. ANDERSON, NEW MEXICO; ALBERT GORE, TENN.; HENRY M. JACKSON, WASHINGTON; BOURKE B. HICKENLOOPER, IDAHO; HENRY

DWORSHAK, IDAHO; GEORGE D. AIKEN, VERMONT; WALLACE F. JENNETT, UTAH;

Tolson
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Ingram
Gandy

NOTE: Permission to interview Senators named above ~~Wick~~ Mr. Wick this date. Above ~~Senators~~ are present or former members of Joint Committee on Atomic Energy when McCone was Chairman of the AEC or from McCone's home State of California. Their comments should be secured.

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAIL ROOM

TELETYPE UNIT

OCT 25 1961

TELETYPE

TELETYPE

RE: JOHN ALEX MC CONE

THOMAS H. KUCHEL AND CLAIR ENGLE, CALIF. ALSO OBTAIN COMMENTS OF CONGRESS REPRESENTATIVES CHET HOLIFIELD, CALIF.; MELVIN PRICE, ILLINOIS; WAYNE N. ASPINALL, COLORADO; ALBERT THOMAS, TEXAS; CRAIG HOSMER, CALIF.; WILLIAM H. BATES, MASSACHUSETTS; JACK WESTLAND, WASHINGTON; AND FORMER REPRESENTATIVE CARL T. DURHAM, FORMER VICE CHAIRMAN, JOINT COMMITTEE ON ATOMIC ENERGY FROM NORTH CAROLINA. BE CERTAIN THAT APPROPRIATE NEWSPAPER MORGUES ARE REVIEWED CONCERNING APPOINTEE. SF SEE URFILE FORTYFOUR DASH THREE SEVEN FIVE. ADVISE IF FRANK MANN AND RALPH P. FLEGAL, MENTIONED IN URAIRTEL OF OCT. TWELVE NEXT, ARE IDENTICAL. OC OBTAIN CURRENT COMMENTS OF HAROLD CUTLIFF, INTERVIEWED DURING PREVIOUS INVESTIGATION. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED IS MET WITHOUT FAIL.

FEDERAL BUREAU OF INVESTIGATION 2 -
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 25 1961

TELETYPE

8-18-61

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 25 1961

TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4 BJA/DFW
1432859

DEFERRED 10-25-61 8-18 PM RAM

TO SACS LOS ANGELES, SAN FRANCISCO, CHARLOTTE, BOSTON, DENVER,
SPRINGFIELD, HOUSTON, ALBUQUERQUE, SEATTLE, ATLANTA, MEMPHIS,
OMAHA, BUTTE, ALBANY, SALT LAKE CITY, NEW YORK, OKLAHOMA CITY
& WASHINGTON FIELD

FROM DIRECTOR 2 P

JOHN ALEX MC CONE, SPI. BUDED OCT. THIRTY NEXT. WHITE HOUSE HAS
REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO
DATE. BORN JAN. FOUR, NINETEEN TWO, SF, CALIF., IS PAST CHAIRMAN
AEC. SEE WHO/S WHO FOR BACKGROUND DATA. SECURE COMMENTS OF FOLLOW-
ING....SENATORS JOHN O. PASTORE, RHODE ISLAND, RICHARD B. RUSSELL,
GEORGIA, CLINTON P. ANDERSON, NEW MEXICO, ALBERT GORE, TENN.,
HENRY M. JACKSON, WASHINGTON, BOURKE B. HICKENLOOPER, IOWA, HENRY
DWORSHAK, IDAHO, GEORGE D. AIKEN, VERMONT, WALLACE F. BENNETT, UTAH,
THOMAS H. KUCHEL AND CLAIR ENGLE, CALIF. ALSO OBTAIN COMMENTS OF
REPRESENTATIVES CHET HOLIFIELD, CALIF., MELVIN PRICE, ILLINOIS,
END PAGE ONE

PAGE TWO

WAYNE N. ASPINALL, COLORADO, ALBERT THOMAS, TEXAS, CRAIG HOSMER, CALIF., WILLIAM H. BATES, MASSACHUSETTS, JACK WESTLAND, WASHINGTON, AND FORMER REPRESENTATIVE CARL T. DURHAM, FORMER VICE CHAIRMAN, JOINT COMMITTEE ON ATOMIC ENERGY FROM NORTH CAROLINA. BE CERTAIN THAT APPROPRIATE NEWSPAPER MORGUES ARE REVIEWED CONCERNING APPOINTEE. SF SEE URFILE FORTYFOUR DASH THREE SEVEN FIVE. ADVISE IF FRANK MANN AND RALPH P. FLEGAL, MENTIONED IN URAIRTEL OF OCT. TWELVE NEXT, ARE IDENTICAL. OC OBTAIN CURRENT COMMENTS OF HAROLD CUTLIFF, INTERVIEWED DURING PREVIOUS INVESTIGATION. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED IS MET WITHOUT FAIL.

END & ACK PLS

LA OK FBI LA DRV

AQ OK FBI AQ RGL

SE OK FBI SE MJB

SU OK FBI SU MCJ

BT OK FBI BT FJD

TU DISC

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Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

☒ **Radio**☐ **Teletype**

URGENT 10-25-61

TO DIRECTOR AND SAC WASHINGTON FIELD

FROM SAC NEW YORK

251605

leads

JOHN ALEX MC GONE; SPI. BUDED OCTOBER 30 NEXT. RE BUREAU
TEL TO WASHINGTON FIELD OCTOBER 23 LAST. REVIEW OF NEW YORK
FILE REFLECTS INTERVIEWS IN PVIOUS INVESTIGATIONS OF
THOMAS K. FINLETTER PRESENTLY AMBASSADOR TO NATO AND ROSWELL
GILPATRIC PRESENTLY DEPUTY SECRETARY OF DEFENSE. WFO ATTEMPT
TO INTERVIEW FINLETTER AND GILPATRIC.

RECEIVED:

12:57 PM BMP

161-1707-10

NOT RECORDED

16 JAN 8 1962

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

1432859

mm

Spec

1-cc destroyed 11-27-61 W42/B26

2 CC WASHINGTON FIELD

10/25/61

TELETYPE

URGENT

TO: SAC, LOS ANGELES

FROM: SAC, SAN FRANCISCO (77-2520)

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. RE BUREAU
TELETYPES OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE. INQUIRY
AT SENATOR KUCHEL'S OFFICE DISCLOSES HE IS PRESENTLY IN LOS
ANGELES AND IS NOT EXPECTED TO RETURN TO THE NORTHERN CALIFORNIA
AREA FOR APPROXIMATELY TWO WEEKS. HE CAN BE REACHED AT THE
FEDERAL BUILDING IN LOS ANGELES, TELEPHONE MADISON FIVE SEVEN
FOUR ONE ONE, EXTENSION ONE ONE THREE TWO. IT IS FURTHER NOTED
THAT REPRESENTATIVES HOLIFIELD AND HOSMER ARE LOS ANGELES
REPRESENTATIVES AND SHOULD BE INTERVIEWED BY LOS ANGELES. REGARDING
SENATOR ENGLE IT IS NOTED THAT HE WAS RECENTLY INTERVIEWED IN
LOS ANGELES IN CONNECTION WITH ANOTHER MATTER CAPTIONED HERBERT
SIMON, SPI, LOS ANGELES FILE ONE SIX ONE DASH THREE EIGHT TWO,
AND INQUIRY IN SAN FRANCISCO HAS DISCLOSED NO OFFICE FOR HIM
IN THIS AREA. AIRMAIL COPY BUREAU.

1 - Bureau (AM)

1 - 77-2520

GNM:LMR #7

(2)

PRICE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

432859

NOT RECORDED

8 OCT 27 1961

10-25-61

PLAIN

TEXT

TELETYPE

URGENT

TO: SAC, WASHINGTON FIELD

FROM: SAC, HOUSTON (161-79)

JOHN ALEX MCCONE. SPT. BUDED: OCTOBER THIRTY SIXTY ONE.

RE: BUREAU TELETYPE TO LOS ANGELES, OCTOBER TWENTY FIVE
SIXTY ONE. U. S. REPRESENTATIVE ALBERT THOMAS, CAN BE
CONTACTED THROUGH OCTOBER TWENTY EIGHT SIXTY ONE AT SUITE
TWO ONE TWO, OLD HOUSE OFFICE BUILDING, WASHINGTON, DC.

INTERVIEW.

-RUC-

1-CC: BUREAU

10/27/61

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW
II432859

161-1709-12
NOT RECORDED

8 OCT 30 1961

Spec. Agent

10/26/61

PLAIN TEXT

TELETYPE

URGENT

TO: SACS LOS ANGELES AND KANSAS CITY

FROM: SAC, SAN FRANCISCO (77-2520)

*new
fugitive
wanted*

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. RE BUREAU
TELETYPES OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE LAST. FOR
INFORMATION KANSAS CITY, WHITE HOUSE HAS REQUESTED PREVIOUS
INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JANUARY
FOUR, NINETEEN TWO, SF, CALIFORNIA. PAST CHAIRMAN AEC. SEE
WHO'S WHO FOR BACKGROUND. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS
ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT
PERSONNEL TO INSURE THAT BUDED IS MET WITHOUT FAIL. NEWSPAPER
FILES DISCLOSE THAT IN EARLY NINETEEN SIXTYONE MC CONE REPORTED
TO HAVE BEEN ELECTED MEMBER OF BOARD OF DIRECTORS OF FIRST-
AMERICA CORP., LOS ANGELES, AND TRANS WORLD AIRLINES, KANSAS
CITY. LOS ANGELES AND KANSAS CITY HANDLE. *new*

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

II 432859

1 - San Francisco

1 - Bureau (AM)

GMM/jae

(2)

RECEIVED

OCT 30 4 50 PM '61

RECEIVED FBI

NOT RECORDED

16 OCT 30 1961

161-1707-13
[Signature]

F B I

Date: 10/26/61

Transmit the following in PLAIN
(Type in plain text or code)Via TELETYPE URGENT
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI AND SAC, HOUSTON

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. REPRESENTATIVE
ALBERT THOMAS INTERVIEWED AT WASHINGTON, D.C., THIS DATE AND
RECOMMENDS HIGHLY. P.

- ② - Bureau
2 - Teletype Unit
1 - WFO

FTH/bm
(5)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4B5A/DFW

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TELETYPE

NOT RECORDED

16 JAN 8 1962

Spec. Agent

Approved: [Signature]
Special Agent in Charge

Sent _____ M Per _____

*No action
10/26/61
JPH*

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are

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

☒ **Radio**

☐ **Teletype**

W.B. Jones

~~URGENT~~ 10-26-61

TO DIRECTOR

FROM SAC DENVER

262140

JOHN ALEX MC CONE, SPECIAL INQUIRY. REURTEL DATED OCTOBER 25 LAST. CONGRESSMAN WAYNE ASPINALL ON SPEAKING TOUR, EXPECTED TO RETURN GRAND JUNCTION OCTOBER 30. WILL BE INTERVIEWED THAT DATE AND REPORT SUBMITTED TO REACH BUREAU BY NOVEMBER 2 NEXT.

RECEIVED:

7:13 PM

EJG

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

0432859

161-1709-15

NOT RECORDED

16 JAN 8 1962

1-cc Lestr... *11-27-61* *W.B. Jones*

10/26/61
2 08 PM '61
RECEIVED-DENVER

Spec...

F B I

Date: 10/26/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

To Director, FBI
From SAC, Atlanta (161-97)
Re JOHN ALEX McCONE
SPI
BUDED 10/30/61

ReButel to Los Angeles 10/25/61.

BARBARA RAESLY, personal secretary of Senator RICHARD B. RUSSELL, Winder, Ga., advised he is out of the country and return date to Washington or Winder is unknown.

UACB Atlanta will follow this matter closely and interview Senator RUSSELL upon his return to Winder. WFO should also follow this matter in the event Senator RUSSELL returns to Washington before he arrives in Georgia.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

432859

- 3 - Bureau (AM)
2 - WFO (AM)
2 - Atlanta

COK/hs
(7)

161-1709-16
NOT RECORDED

10 OCT 27 1961

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

10/27/61

Airtel

To: SAC, Denver

From: Director, FBI

JOHN ALEX MC CONE
SPI

Reurad October 26, last. When Representative Aspinall is interviewed, sutel his comments in report language suitable for dissemination followed by report.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

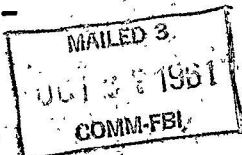
DATE 2-28-02 BY SP4 BJA/DRW

432859

WHB:sa

- 4 -

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
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Sullivan _____
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Tele. Room _____
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Gandy _____



MAIL ROOM ☒ TELETYPE UNIT ☐

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 26 1961

TELETYPE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

#432859

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

URGENT 10-26-61 11-24 AM PST VEG

TO DIRECTOR, FBI

FROM SAC, SAN FRANCISCO /77-2520/ 1P

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. RE BUREAU TELETYPES OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE LAST. RE SAN FRANCISCO FILE FOUR FOUR DASH THREE SEVEN FIVE CONCERNING RALPH P. FLEGAL AND FRANK MANN. SAN FRANCISCO LETTER TO BUREAU OCTOBER TWENTYFIVE LAST CAPTIONED FRANK MANN, THREE ZERO FOUR NEWTON AVENUE, OAKLAND, CALIFORNIA, REPORTS THAT NEIGHBORHOOD INVESTIGATION IN THE VICINITY OF THREE ZERO FOUR NEWTON AVENUE DISCLOSED NEIGHBORS KNOW NO ONE NAMED FRANK MANN AT THAT ADDRESS AND THAT THE RESIDENCE IS OCCUPIED BY FLEGAL AND HIS MOTHER. PHONE AT THAT ADDRESS IS LISTED TO MRS. R. FLEGAL. NO POLICE OR CREDIT RECORD LOCATED AT OAKLAND FOR MANN. IN VIEW OF APPARENT MENTAL CONDITION OF FLEGAL AND INASMUCH AS HE HAS PREVIOUSLY FURNISHED ALL INFORMATION HE HAD CONCERNING MC CONE TO THE ATTORNEY GENERAL, HE WILL NOT BE REINTERVIEWED IN THIS MATTER AND HIS CONTACTS WITH THIS OFFICE WILL NOT BE REPORTED IN SAN FRANCISCO REPORT UACB.

END AND ACK PLS

3-29 PM OK/FBI/MAJWS

TU DISCMP

3 20 W.B.

RECEIVED ADVANCE

1-cc destroyed 11-27-61 WAB/bjz.

161-1709-17

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16 JAN 8 1962

Spec. Inv.

F B I

Date: 10-26-61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI

FROM: SAC OKLAHOMA CITY (161-73) -RUC-

John
JOHN ALEX MC CONE
SPI
BUDED: 10-30-61

Reurtel 10-25-61.

Inquiry at Tulsa, Oklahoma showed HAROLD CUTLIFF
STUART to be temporarily in Frankfort, Kentucky and teletype
sent Louisville requesting he be interviewed. No report
being submitted UACB.

③-Bureau
1-Oklahoma City *pure*

HAO:CG
(4)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4BJA/DFW
II 432859

161-1709-18
NOT RECORDED

9 OCT 28 1961

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

2-cc destroyed 11-27-61-WAB/jyl

FEDERAL BUREAU OF INVESTIGATION

Reporting Office SALT LAKE CITY	Office of Origin BUREAU	Date 10/26/61	Investigative Period 10/26/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by ASAC HEBER M. CLEGG	Typed By: men
		CHARACTER OF CASE SPI	

XXXXX

REFERENCE: Bureau teletype, 10/25/61.

-RUC -

ADMINISTRATIVE:

Review of Who's Who, the files of this office and the interview of Senator BENNETT failed to indicate any investigation this division other than that set forth in this report.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4 BJA/DFW
#432859

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
Copies made:		161-1709-19	
① - Bureau - AIR MAIL 1 - Salt Lake City (161-42) OCT 30 11 22 AM '61 RECEIVED FBI		NOT RECORDED OCT 30 1961	

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COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: ASAC HEBER M. CLEGG
Date: 10/26/61
Field Office File No.: 161-42
Bureau File No.:
Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4 BJA/DFW
432859

Synopsis:

Senator BENNETT believes McCONE to be dedicated patriot, brilliant intellect, above reproach in his personal life, and not known to have associated with any person or group considered disloyal or disreputable.

-RUC-

DETAILS:

U. S. Senator WALLACE F. BENNETT, 65 West 1st South, Salt Lake City, Utah, advised it was a pleasure for him to furnish his comments on JOHN ALEX MC CONE. They have known each other approximately twelve years, during which time both were in Washington, D. C. They have had very frequent contact in government circles and have been associated socially on a limited basis.

Mr. McCONE served the government under both the TRUMAN and EISENHOWER administrations with distinction. He is a dedicated patriot to the United States, brilliant intellect, fair in all his dealings, above reproach in his personal life, outstanding in executive and administrative ability, truthful, dependable, and a tireless worker. He is not known to have associated with any person or group considered disloyal or disreputable.

SU 161-42

The Senator has had only limited contact with Mrs. McCONE whose patriotism and character are in harmony with those of her husband.

The Senator is not acquainted with any other relative.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <i>Springfield</i>	OFFICE OF ORIGIN <i>Bureau</i>	DATE <i>10-26-61</i>	INVESTIGATIVE PERIOD <i>10-26-61</i>
TITLE OF CASE <i>JOHN ALEX MC CONE</i>		REPORT MADE BY <i>SA B. BRUCE BRADFORD</i>	TYPED BY <i>spb</i>
		CHARACTER OF CASE <i>SPECIAL INQUIRY</i>	

REFERENCE:

Bureau teletype to Los Angeles, 10-25-61.

- RUC -

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-28-02 BY SP4BJA/DFW
432859

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: <i>(1) - Bureau</i> <i>1 - Springfield (161-114)</i>		<i>161-1709-20</i> NOT RECORDED 4 OCT 27 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY.....		<i>[Handwritten: 161-1709-20]</i> <i>[Stamp: OCT 27 1961]</i> <i>[Handwritten: 161-1709-20]</i>	
REQUEST RECD.....			
DATE FWD.....			
HOW FWD.....			
BY.....		<i>[Handwritten: 161-1709-20]</i> <i>[Stamp: OCT 27 1961]</i> <i>[Handwritten: 161-1709-20]</i>	

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Cover Page

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA B. BRUCE BRADFORD
Date: October 26, 1961

Office: Springfield

Field Office File No.: SI 161-114

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

Reference contacted 10-26-61 and states MC CONE's character, associates, reputation and loyalty are very satisfactory.

- RUC -

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

432859

SI 161-114

DETAILS: AT EAST ST. LOUIS, ILLINOIS

The following investigation was conducted by SA B. BRUCE BRADFORD on October 26, 1961:

REFERENCE:

Honorable MELVIN PRICE, United States Congressman, representing the 24th Congressional District, was contacted at 426 North 8th Street and advised that he has been intimately acquainted with MC CONE for the past four years through his close contact work on Congressional matters. He states that hardly a week goes by that MC CONE does not have direct contact work with the Congressional committees on which Mr. PRICE serves. Previous to this he also knew MC CONE for what he described as "many years." He states that MC CONE's character, reputation and loyalty are above reproach and beyond question. He states that MC CONE is truly "one of the outstanding men in the country." He would not hesitate to recommend MC CONE for a position of highest trust with the United States Government. He also states that MC CONE's associates are of equal caliber and reputation. He advises that he knows MC CONE to be a highly energetic and industrious person.

There is no indication that MC CONE has ever resided in the Belleville and East St. Louis, Illinois, areas.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE BOSTON	OFFICE OF ORIGIN BUREAU	DATE 10/26/61	INVESTIGATIVE PERIOD 10/26/61
TITLE OF CASE JOHN ALEX MC CONE		REPORT MADE BY CHARLES F. AHERN	TYPED BY pd
		CHARACTER OF CASE SRI	


REFERENCE: Bureau teletype dated 10/25/61.

-RUC-

ALL INFORMATION CONTAINED
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DATE 2-28-82 BY SP4 BJA/DFW
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*Batter (py) more
Pastor, Smith R. V. [initials]*

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AGENCY			
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA CHARLES F. AHERN
Date: 10/26/61

Office: Boston, Massachusetts

Field Office File No.: 161-669

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

Congressman WILLIAM H. BATES of Massachusetts and Senator JOHN O. PASTORE of Rhode Island commented favorably.

-RUC-

Details:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-28-02 BY SP4 BJA/DFW
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HMT:gm

On October 26, 1961 Congressman WILLIAM H. BATES, United States Post Office, Salem, Massachusetts, advised SA HAROLD M. TOBIN that he has been acquainted with MC CONE for approximately ten years. He stated that he has known him as an Undersecretary of the Air Force and also in his capacity with the Atomic Energy Commission. He described him as enthusiastic, vigorous and sincere and stated that his character, reputation, loyalty and associates are above reproach. He recommended him highly for any position of trust and confidence.

On October 26, 1961, Honorable JOHN O. PASTORE, United States Senator from Rhode Island, Room 301, Post Office Annex, Providence, Rhode Island, advised SA HOMER E. WILBUR that as vice chairman of the Joint Committee of the Congress on Atomic Energy he has known appointee intimately since appointee became associated with the Atomic Energy Commission. He stated that appointee is an extremely able man of exemplary character whose patriotism is beyond reproach. He stated that in his opinion appointee is a fine administrator and an excellent public servant.

NA 10/28/61
JF

Mr. [Signature]
10580

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 27 1961
TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

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DATE 2-28-02 BY SP4BJA/DFW
IL 432859

URGENT 10-27-61 NRB 6-59 PM

TO DIRECTOR AND SACS WASHINGTON FIELD AND SAN FRANCISCO
FROM SAC LOS ANGELES 161-385

JOHN ALEX MC CONE. SPECIAL INQUIRY. RE BUTEL TEN

TWENTY THREE AND TEN TWENTY FIVE LAST. MISS MARY
DEIHL SECRETARY TO JOHN A. MC CONE ADVISED MR. MC CONE
AND HIS WIFE CURRENTLY RESIDE AT THREE ZERO TWO FIVE
WHITEHAVEN STREET, NORTHWEST WASHINGTON, D.C. DEIHL
ADVISED MC CONE-S ONLY BUSINESS CONNECTIONS SINCE

TERMINATION OF AEC POSITION ONE TWENTY ONE SIXTY ONE
ARE PRESIDENT PANAMA PACIFIC TANKERS, CHAIRMAN OF THE
BOARD, JOSHUA HENDY CORPORATION, AND MEMBER OF THE
BOARDS OF DIRECTORS OF STANDARD OIL COMPANY OF CALIFORNIA,
TRANSWORLD AIRLINES, WESTERN BANCORPORATION, FIRST
WESTERN BANK AND TRUST COMPANY AND PACIFIC MUTUAL LIFE
INSURANCE COMPANY. MC CONE HAS SUBMITTED HIS RESIGNATION
TO EACH OF THE FOREGOING TO BECOME EFFECTIVE PRIOR TO
OR AS OF THE DATE HE ASSUMES HIS DUTIES WITH CIA. MISS

END PAGE ONE

161-1709-22
NOT RECORDED

16 JAN 8 1962

Spec [Signature]

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PAGE TWO

DEIHL ADVISED MC CONE-S STATUS WITH STANDARD OIL OF CALIFORNIA CAN BE VERIFIED THROUGH MR. FOLLIS, STANDARD OIL OF CALIFORNIA, SAN FRANCISCO. MR. TERRANCE M. LEE WHO IS INTIMATELY ACQUAINTED WITH DETAILS OF MC CONE-S VARIOUS BUSINESS VENTURES IS CURRENTLY WITH MC CONE IN WASHINGTON, D.C. MC CONE REPORTEDLY WELL KNOWN TO ADMIRAL ARTHUR W. RADFORD AND ADMIRAL H.G. RICKOVER, BOTH WASHINGTON, D.C. REPEATED ATTEMPTS HAVE BEEN MADE TO ARRANGE INTERVIEWS WITH SENATORS ENGLE AND KUCHEL AT LOS ANGELES WITHOUT SUCCESS. EFFORTS TO ARRANGE INTERVIEWS CONTINUING AND IF NOT EFFECTED BY COB TEN TWENTY SEVEN PRESENT, LOS ANGELES REPORT WILL BE SUBMITTED TO REACH BUREAU BY DEADLINE DATE AND WILL BE FOLLOWED BY TELETYPE SUMMARY OF INTERVIEWS WITH ENGLE AND KUCHEL, UACB.

*asst chief of Bu
for message
Propulsion
Bu of Ship
Reg 9 to Navy*

END ACK PLS

HOLD PLS

SF ADVISED

DEC 51 11 32 AM '61
DEC 51 10 10 AM '61
DEC 51 10 10 AM '61

NA
10/28/61
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FEDERAL BUREAU OF INVESTIGATION

COMMUNICATIONS SECTION

OCT 28 1961

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

ALL INFORMATION CONTAINED

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DATE 2-28-02 BY SP4BJA/DFW

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DEFERRED 10-27-61 NRB 8-40 PM

TO DIRECTOR AND SAC SAN DIEGO

FROM SAC LOS ANGELES 161-385

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED OCTOBER THIRTY

FIRST NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. HE IS PAST CHAIRMAN OF ATOMIC ENERGY COMMISSION. THE BUREAU INSTRUCTED THAT U.S. SENATOR THOMAS H. KUCHEL BE INTERVIEWED. INVESTIGATION AT LOS ANGELES, CALIFORNIA HAS DETERMINED THAT SENATOR KUCHEL IS ON SPEAKING ENGAGEMENTS AND WILL NOT RETURN TO LOS ANGELES UNTIL SOMETIME IN NOVEMBER, NINETEEN SIXTY ONE.

KUCHEL-S SECRETARY AT LOS ANGELES ADVISED THAT SENATOR KUCHEL WILL BE AVAILABLE MONDAY MORNING OCTOBER THIRTY

NEXT AT THE GRANT HOTEL, SAN DIEGO, CALIFORNIA. SAN DIEGO INTERVIEW SENATOR KUCHEL AND OBTAIN HIS COMMENTS CONCERNING JOHN A. MC CONE. LOS ANGELES REPORT SUBMITTED THIS DATE.

END ACK PLS

SD ADVISED

END 12-43 AM OK FBI WA HFL

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161-1709-23
NOT RECORDED

16 JAN 8 1962

Spec. Inv.

1-cc destroyed 11-27-61 with [signature]

FEDERAL BUREAU OF INVESTIGATION

Reporting Office ALBANY	Office of Origin BUREAU	Date 10-27-61	Investigative Period 10-27-61
TITLE OF CASE JOHN ALEX MC CONE		Report made by JOSEPH HOLIDAY	Typed By: PKS
		CHARACTER OF CASE SPI	

XXXXXX

REFERENCE: Butel, 10-25-61.

- R U C -

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4 BJA/DFW
#432859

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
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		NOT RECORDED 22 OCT 30 1961	

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA JOSEPH HOLIDAY
Date: October 27, 1961

Office: Albany, New York

Field Office File No.: 77-6009

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

OCT 28 1961
FBI ALBANY
100-28-62 SP4BJA/DRJ
0432859

Synopsis:

Senator GEORGE D. AIKEN, Putney, Vermont, highly recommends MC CONE in every respect.

- R U C -

DETAILS:

AT PUTNEY, VERMONT

Senator GEORGE D. AIKEN on October 27, 1961, advised he has known Mr. MC CONE as a legislative associate for the past three years, during which time MC CONE was Chairman of the Atomic Energy Commission. He said he, during this period, was a member of the Joint Committee on Atomic Energy and further stated that Mr. MC CONE, as Chairman of the Atomic Energy Commission, without a doubt held one of the most responsible appointive positions in the Government and one of the most responsible securitywise. Senator AIKEN said there was no question in his mind concerning the loyalty of Mr. MC CONE and he would highly recommend him in every respect. He advised further that he did not know Mr. MC CONE socially and was at his home on only one occasion.

-1*-

FEDERAL BUREAU OF INVESTIGATION

Reporting Office ALBUQUERQUE	Office of Origin BUREAU	Date 10/27/61	Investigative Period 10/26/61
TITLE OF CASE JOHN ALEX McCONE		Report made by SA J. PHILLIP CLARIDGE	Typed By: fd
		CHARACTER OF CASE SPECIAL INQUIRY	

Synopsis:

REFERENCE: Bureau teletype to Los Angeles, San Francisco, Charlotte, Boston, Denver, Springfield, Houston, Albuquerque, Seattle, Atlanta, Memphis, Omaha, Butte, Albany, Salt Lake City, New York, Oklahoma City and WFO dated 10/25/61.

-RUC-

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		NOT RECORDED 5 OCT 30 1961	

Spec

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA J. PHILLIP CLARIDGE
Date: October 27, 1961

Office: ALBUQUERQUE

Field Office File No.: 161-73

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-28-02 BY SP4BJA/DPW
432859

Synopsis: U. S. Senator CLINTON P. ANDERSON of New Mexico, informs that he has known McCONE since 1947 or 1948; that McCONE is a person of fine character, very able, honest, and capable to work for the U. S. Government. Recommends him highly for any position in U. S. Government and has no unfavorable information and no reservations regarding his character, loyalty or associates.

-RUC-

DETAILSAT ALBUQUERQUE, NEW MEXICO:

CLINTON P. ANDERSON, U. S. Senator from New Mexico, Federal Office Building, commented on October 26, 1961, that he has known McCONE since 1947 or 1948 as being a public servant and working for the U. S. Government in various positions at different times. The Senator commented that he believes that he may have first become acquainted with McCONE when he, the Senator, was in the cabinet which was prior to 1947. He commented that McCONE was connected with the Secretary of the Air Force in the Truman Administration and commented that during 1957 and 1958 McCONE was chairman of the Atomic Energy Commission, at which time Senator ANDERSON was closely associated with McCONE. He related that during all of this association and acquaintanceship with McCONE he found him to be a person of very fine character, very able, honest and capable.

Senator CLINTON P. ANDERSON commented that he had been asked by President KENNEDY to contact McCONE in an effort to influence him to take his present position. Senator ANDERSON had the impression that McCONE was somewhat reluctant to take the

AQ 161-73

position as he had built a new home in California and wanted to enjoy it there. He related however, that McCONE did accept the position offered by President KENNEDY and pointed out that McCONE and President KENNEDY are of different political parties.

Senator ANDERSON concluded that he has no reservations whatsoever in recommending McCONE for any position with the U. S. Government as he considers him a serious, competent, up-right man who accepts his responsibilities to his Government and that he has no unfavorable information and no reservations regarding his character, loyalty or associates.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office Seattle	Office of Origin Bureau	Date 10-27-61	Investigative Period 10-26-61
TITLE OF CASE JOHN ALEX McCONE		Report made by SA EDWARD BREKKE	Typed By: Br
		CHARACTER OF CASE SPECIAL INQUIRY	

~~SECRET~~

REFERENCE:

Bureau teletype to Los Angeles, San Francisco, Charlotte, Boston, Denver, Springfield, Houston, Albuquerque, Seattle, Atlanta, Memphis, Omaha, Butte, Albany, Salt Lake City, New York, Oklahoma City and Washington Field dated 10-25-61.

STATUS:

R U C

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DATE 2-28-72 BY SP4 BJA/DFW

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Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: 1 - Bureau (AMSD) 1 - Seattle (161-119)		161-1708-26	
		NOT RECORDED 16 OCT 30 1961	

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SE 161-119

The Honorable HENRY M. JACKSON, U. S. Senator from the State of Washington, was contacted at his office, 803 U. S. Court House, Seattle, Washington, on October 26, 1961. He advised he has known JOHN McCONE since he was appointed Chairman of the Atomic Energy Commission; that it was his opinion that McCONE was an excellent, hard, tough administration; that he was very personable and a very good man for sensitive type work. Senator JACKSON said that McCONE has the character and integrity he admires in a man and that which is needed to head the Central Intelligence Agency. Senator JACKSON pointed out that McCONE is a Republican and has worked in high government positions under the administrations of President Truman and President Eisenhower and that he had no reservation about McCONE and would recommend him highly for the position to which he was appointed by President KENNEDY.

A check of the Library of the Seattle Times and the Post Intelligencer, both daily newspapers in Seattle, Washington, was made on October 26, 1961. There was no local items contained in the files of JOHN ALEX McCONE of local interest.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA EDWARD BREKKE
Date: October 27, 1961

Office: SEATTLE

Field Office File No.: SE 161-119

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4BJA/DFW
IL432859

Synopsis:

Honorable HENRY M. JACKSON, U. S. Senator from State of Washington and JACK WESTLAND, Member of Congress, both recommend JOHN McCONE for position to which appointed and state he is man excellent character and a high degree of integrity and an excellent administrator. No local information contained in the library of the Seattle Times or the Post Intelligencer, daily newspapers in Seattle, Washington, pertaining to JOHN McCONE.

RUC

DETAILS:

Investigation at Everett, Washington was conducted by Special Agent JOHN E. CONNOR.

On October 26, 1961 Representative JACK WESTLAND, Member of Congress, was interviewed at 2828 Rockefeller. He advised that he has known JOHN McCONE since McCONE became Chairman of the Atomic Energy Commission; that he has known him socially in their respective homes and has played golf with him also. He continued that he has also been associated with McCONE from an official point of view on government business and that he has the utmost regard for him as a man and as a government official. He added that he was real glad to see McCONE appointed to the present position as he considers him to be an excellent administrator and an individual who has the respect of "both sides of the aisle" on "Capitol Hill". He concluded that it is his opinion that the President could not have found a man of higher integrity than JOHN McCONE for this position.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office SAN FRANCISCO	Office of Origin BUREAU	Date 10/27/61	Investigative Period 10/23/61 - 10/27/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by GARY N. MAVITY	Typed By: mw
		CHARACTER OF CASE SPI	

REFERENCES:

Bureau teletypes dated 10/23/61, and 10/25/61.
San Francisco teletype to Los Angeles dated 10/25/61.
San Francisco teletype to Bureau dated 10/26/61.
San Francisco teletype to Los Angeles and Kansas City dated 10/26/61.

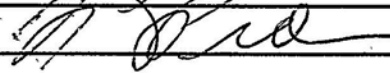
-RUC- ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DPW
#432859

ADMINISTRATIVE:

Efforts were made during the course of this investigation to contact STEPHEN D. BECHTEL, SR., and KENNETH K. BECHTEL, both of whom were previously associated with MC CONE and both of whom have been interviewed in previous investigations. Neither was available for interview. It is noted that there is no indication that MC CONE has been associated with them since the previous investigation and no further efforts are being made to contact them.

Approved 	Special Agent in Charge	Do not write in spaces below	
Copies made:		161-1709-27	
1 - Bureau (AMSD)		NOT RECORDED	
1 - San Francisco (77-2520)		OCT 30 1961	

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA GARY N. MAVITY
Date: October 27, 1961

Office: SAN FRANCISCO

Field Office File No.: 77-2520

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis: MC CONE's mother-in-law continues to reside in San Francisco. No arrest record located for her and credit favorable. No credit or arrest record located for MC CONE at Berkeley, California, where he attended the University of California from 1918 to 1922. Newspaper libraries contain no unfavorable information concerning MC CONE.

-RUC-

DETAILS:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-28-02 BY SP4BJA/DRW
1132859

SF 77-2520

GMM/smp

Mr. F. W. MARCUS, Assistant Manager, Huntington Hotel, 1075 California Street, on October 26, 1961, advised that Mrs. CHARLES (ELIZABETH) MONTAGUE, mother-in-law of JOHN A. MC CONE, continues to reside at that Hotel.

The Newspaper libraries of the San Francisco "Examiner", San Francisco "Chronicle", and the San Francisco "News-Call Bulletin" were reviewed on October 26, 1961, and no information pertinent to this investigation, subsequent to June, 1958, was located.

The following investigation was conducted by IC VERNON PICCINOTTI:

Records of the San Francisco Police Department, reviewed by Officer ANDREW MC CARTHY, on October 26, 1961, disclosed no information concerning ELIZABETH MONTAGUE.

Mr. FRANK J. MC AULAY, Supervisor of Files, San Francisco Retail Credit Association, on October 26, 1961, furnished a credit record for ELIZABETH R. MONTAGUE, wife of CHARLES L. MONTAGUE, deceased. The record indicates that as of 1950 she resided at the Huntington Apartments, 1075 California Street, San Francisco. CHARLES MONTAGUE was reported to have formerly been Assistant to the General Manager of Cananea Consolidated Cooper Company, Cananea, Sonora, Mexico for about 35 years, prior to 1947. All credit information was favorable.

AT OAKLAND, CALIFORNIA

The following investigation was conducted by SA DONALD E. LOVEJOY:

Miss JULIA VITARO, Secretary to EDGAR F. KAISER, President and Director, Kaiser Industries Corporation, 300 Lakeside Drive, on October 26, 1961, advised that EDGAR KAISER is presently on a trip in Africa and will not return to this area for about two weeks.

The following investigation was conducted by IC MORRIS POWER:

Mrs. EVELYN R. LUCY, Credit Bureau of the Greater East Bay, on October 26, 1961, advised she could locate no credit record for MC CONE. This agency covers Berkeley, California.

AT BERKELEY, CALIFORNIA

Records of the Berkeley Police Department October 26, 1961, disclosed no information concerning MC CONE. It is noted that MC CONE attended the University of California, Berkeley, from 1918 to 1922.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office NEW YORK	Office of Origin BUREAU	Date 10/27/61	Investigative Period 10/24-26/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by JOSEPH P. FINNEGAN	Typed By: ahd
		CHARACTER OF CASE SPECIAL INQUIRY	

REFERENCE:

Kansas City teletype to NY, 10/27/61.
Butel to WFO, 10/23/61.

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DATE 3-20-02 BY SP4 BJA/DFW

II 432859

ADMINISTRATIVE:

NY file 77-11802 and NY file 116-43369 contain prior investigations concerning JOHN ALEX MC CONE in 1958 and 1950 respectively.

Inquiry at Trans World Airlines, New York, New York, reflects Mr. ERNEST R. BREECH, Chairman of the Board, is presently out of the country and is not expected back until the latter part of November, 1961.

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made: 1-Bureau 1-New York (161-799) <i>[Handwritten initials]</i>		161-1709-28	
		NOT RECORDED 10 OCT 30 1961	

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NY 161-799

X Miss HEILMANN, Secretary to Mr. CHARLES C. TINNINGHAST, Jr., President of Trans World Airlines, on 10/27/61 advised the earliest appointment she could arrange with Mr. TINNINGHAST was at 3:30 pm on 10/30/61.

LEAD

NEW YORK

Will interview Mr. TINNINGHAST on 10/30/61 and thereafter submit RUC report.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: JOSEPH P. FINNEGAN
Date: 10/27/61

Office: NEW YORK

Field Office File No.: NY 161-799

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis: Appointee recommended as to ability, character, and loyalty by acquaintances in NYC area. NYC credit record clear; no arrest record.

P

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HEREIN IS UNCLASSIFIED
DATE 3-20-02 BY SP4BJA/DFW
II 432859

NY 161-799

DETAILS:

Employment

Joshua Hendy Corporation
407 Lexington Avenue
New York, New York

Mrs. ROSE ANDERSON, Secretary-Clerk, Room 5004, advised on October 25, 1961 that Joshua Hendy Corporation maintains this office in New York, New York and she is the sole employee assigned here. From time to time company officials come to New York on business and use the office. She stated that the appointee has been Chairman of the Board of Directors since he resigned from the Atomic Energy Commission. During the time that he was in Washington, D. C. working for the federal government, he did not visit this office and Mrs. ANDERSON's contacts with him predated that period of employment. She described him as an energetic, efficient and pleasant person of good character and reputation and as a loyal American citizen.

Acquaintances

Mr. CHARLES SALTZMAN, Partner, Goldman, Sachs and Company, 20 Broad Street, New York, advised on October 24, 1961 that he had served with the appointee on the Department of State's Public Committee on Personnel in 1954 and has had no contact with him since then, but is aware of the appointee's activities.

NY 161-799

Mr. PAUL V. SHIELDS, 44 Wall Street, New York, advised on October 25, 1961 that he has continued to be in contact with the appointee since he was last interviewed in 1958; however, his contacts have been less frequent in the past two years than previously.

Mr. MOREHEAD PATTERSON, Chairman of the Board, American Machine and Foundry Corporation, 261 Madison Avenue, New York, advised on October 25, 1961 that he had served with the appointee on the Public Committee on Personnel and his principal association with the appointee has been confined to the activities of that committee which continued to meet on a semi-annual basis after it had submitted a report. Mr. PATTERSON also spends considerable time in Washington, D. C. and while the appointee was with the Atomic Energy Commission he would hear about him from mutual acquaintances and occasionally met him in that city.

Mr. CLYDE E. WEED, Chairman of the Board, Anaconda Corporation, 25 Broadway, New York, and Mr. HENRY D. MERCER, Chairman of the Board, States Marine Corporation, 90 Broad Street, New York, who were interviewed on October 24, 1961; and Mr. ROBERT L. CLARKSON, Chairman of the Board, American Express Company, Incorporated, 65 Broadway, New York, who was interviewed on October 25, 1961 by SA JOHN E. WARREN, advised that they have been close social acquaintances of the appointee and are in frequent contact with him. In addition, Mr. MERCER has had a business association with the appointee as their companies are both concerned with shipping interests.

These acquaintances highly recommended JOHN ALEX MC GONE for appointment as Director of the Central Intelligence Agency as an intelligent, energetic administrator and executive of proven ability in both business and government. They stated that he is a man of the highest type integrity and ethics and a completely discreet and trustworthy individual. He is a man who will handle this post with dedication and zeal. He is a completely loyal American citizen and his conduct, associates and reputation have always been above reproach.

NY 161-799

Mr. WEED, Mr. CLARKSON, Mr. SHIELDS, and Mr. MERCER, who are acquainted with the appointee's wife, stated that she is a fine person of excellent character, reputation, and associates, and a completely loyal American citizen. Inquiry of these individuals developed that they are the appointee's closest associates in the New York area.

NY 161-799

CREDIT

On October 25, 1961 Miss PAULINE DE FIORE, Clerk, Credit Bureau of New York, advised IC JOHN F. GOOD that her files contain information indicating a favorable credit record for the appointee and his wife in New York City and contained no additional pertinent information since previously checked in 1958.

ARREST

On October 25, and 26, 1961, SA DAVID G. JENKINS caused the records of the New York City Police Department to be checked by Deputy Inspector ARTHUR L. MORGAN, Bureau of Criminal Identification; Lieutenant JOSEPH H. McCABE, Information Unit; Lieutenant RICHARD A. MOUNT, Old Records Room (all of the above of the New York City Police Department); and Mr. JOSEPH TRUBIA, Fingerprint Bureau, Magistrate's Court, City of New York. No record identifiable with the appointee or his wife was located.

MISCELLANEOUS

The files of the "New York Times" Information Bureau, West 43rd Street, New York, as reviewed on October 24, 1961 contained no information pertinent to this inquiry.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office BUTTE	Office of Origin BUREAU	Date 10/27/61	Investigative Period 10/27/61
TITLE OF CASE JOHN ALEX McCONE		Report made by DAVID W. MURRAY	Typed By: imm
		CHARACTER OF CASE SPECIAL INQUIRY	

REFERENCE

Bureau teletype to Los Angeles, 10/25/61

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DATE 3-22-02 BY SP4BJA/DFW

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: DAVID W. MURRAY
Date: 10/27/61

Office: Butte, Montana

Field Office File No.: 161-61

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

Synopsis:

HENRY C. DWORSHAK, U. S. Senator, Boise, Idaho, first met JOHN ALEX McCONE during 1948, while McCONE was serving in some administrative capacity in the Executive Branch of the U. S. Government. From 1958 until January, 1961, DWORSHAK, a member of the Joint Congressional Committee on Atomic Energy, was in regular contact with McCONE, who was serving as Chairman of the Atomic Energy Commission. He developed a profound respect for McCONE as an administrator, leader and a person. He considers McCONE to be honest, dedicated, personable, capable, and a loyal patriotic American, whom he would recommend without reservation for any position of trust and responsibility with the U. S. Government.

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DETAILS

AT BOISE, IDAHO

On October 27, 1961, HENRY C. DWORSHAK, Senator for Idaho, 319 Bank of Idaho Building, commented as follows:

He first met JOHN ALEX McCONE during the year 1948, when McCONE, a successful executive in private industry, was serving in some administrative capacity in the Executive Branch of the U. S. Government. In the ensuing years, McCONE served in several administrative positions with the Executive Branch of the Government, as an appointee of both Democratic and Republican presidents. During 1958, McCONE was appointed Chairman of the Atomic Energy Commission and in this position DWORSHAK became personally acquainted with McCONE, inasmuch as DWORSHAK was serving as a member of the Joint Congressional Committee on Atomic Energy, which met regularly with McCONE and members of the Atomic Energy Commission.

DWORSHAK said this association generated a profound respect for McCONE's ability as an administrator, leader and a man. McCONE, with his tact and diplomacy, was able to work harmoniously with the committee and had the ability to control and guide both political sections. McCONE resigned in January, 1961, when a new administration took office at Washington, D. C.

McCONE, in DWORSHAK's opinion, is an honest, personable, dedicated, capable administrator, whose loyalty and patriotism are of the highest order. He said he would recommend McCONE without reservation for any position of trust and responsibility with the U. S. Government.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN BUREAU	DATE 10/27/61	INVESTIGATIVE PERIOD 10/23 - 10/27/61
TITLE OF CASE JOHN ALEX MC CONE		REPORT MADE BY JAMES P. BENEDICT	TYPED BY gcw
		CHARACTER OF CASE SPECIAL INQUIRY	

REFERENCES: Bureau teletypes, 10/23 and 10/25/61
 San Francisco teletypes, 10/25 and 10/26/61
 Los Angeles teletype to Bureau, 10/27/61.

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HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: JAMES P. BENEDICT
Date: 10/27/61

Office: Los Angeles, California

Field Office File No.: 161-385

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

Fellow employees and associates commented favorably and recommended. U. S. Senator CLAIR ENGLE, and U. S. Congressman CHET HOLIFIELD and CRAIG HOSNER commented favorably and recommended. No arrest record located for MC CONE or his immediate relatives. No credit information in addition to that previously reported disclosed.

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DETAILS:

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DATE 3-22-02 BY SP4BJA/DFW

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DETAILS:

EMPLOYMENT

Joshua Hendy Corporation
612 South Flower Street
Los Angeles, California

On October 26, 1961, Miss MARY DEIHL, secretary to Mr. JOHN A. MC CONE, advised that Mr. MC CONE returned to the Joshua Hendy Corporation and Panama Pacific Tankers Corporation approximately February 1, 1961, following the termination of his position with the Atomic Energy Commission. She stated that upon his return he was elected President of the Panama Pacific Tankers Corporation and Chairman of the Board of the Joshua Hendy Corporation. Miss DEIHL stated that when Mr. MC CONE assumed duties with the Atomic Energy Commission in 1958, he severed all connections with all of his business interests, and upon his return to Los Angeles he affiliated himself only with Panama Pacific Tankers Corporation and Joshua Hendy Corporation and accepted positions on the Boards of Directors for the Standard Oil Company of California at San Francisco, California; the Trans World Airlines; Western Bancorporation, Los Angeles; the First Western Bank and Trust Company, Los Angeles; and the Pacific Mutual Life Insurance Company of Los Angeles. She stated that he was a member of the Executive Committee of the Board of Directors for Pacific Mutual Life Insurance Company. Miss DEIHL stated that Mr. MC CONE had submitted letters of resignation to each of the above companies, including Panama Pacific Tankers Corporation and Joshua Hendy Corporation, to become effective on or prior to the date he assumed his new position with the Central Intelligence Agency. Miss DEIHL stated that most of these resignations had been accepted by the various Boards of Directors. Miss DEIHL made available for observation copies of the various letters submitted by MC CONE.

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On October 26, 1961, W. C. RYAN, President, Joshua Hendy Corporation, and Vice President, Panama Pacific Tankers Corporation, advised that these two companies with regret accepted the resignation of JOHN A. MC CONE, effective the day prior to his assumption of his new duties with the Central Intelligence Agency. Mr. RYAN stated that Mr. MC CONE is a devoted public servant of the highest integrity, with outstanding administrative ability, and a man of exceedingly strong loyalty to the United States Government and the principles which it represents. He stated that Mr. MC CONE has in the past done an excellent job with the Panama Pacific Tankers Corporation and Joshua Hendy Corporation, and he knows he will do exceedingly well in administering the Central Intelligence Agency.

Mr. RYAN stated that following his resignation from the Atomic Energy Commission, Mr. MC CONE, although widely sought, accepted appointment to the Boards of Directors with Standard Oil Company of California; Trans World Airlines; Western Bancorporation, formerly known as First America Corporation; First Western Bank and Trust Company; and Pacific Mutual Life Insurance Company. He stated that he was elected President of the Panama Pacific Tankers Corporation and Chairman of the Board of the Joshua Hendy Corporation. Mr. RYAN stated that Mr. MC CONE has severed all relations with private enterprise. Mr. RYAN stated he would recommend Mr. MC CONE most highly for any position of trust and responsibility with the United States Government.

BUSINESS AND SOCIAL ACQUAINTANCES

On October 26, 1961, CHET HOLIFIELD, United States Congressman from the State of California, 2001 Lincoln Avenue, Montebello, California, advised that he considered JOHN A. MC CONE a most highly qualified person. He stated that he had the highest opinion of Mr. MC CONE's ability to properly administer the Central Intelligence Agency. He stated that during Mr. MC CONE's tenure as head of the Atomic Energy

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Commissioner he, HOLIFIELD, was on the Joint Committee on Atomic Energy and through this position had association with him. He stated that there was no question in his mind whatsoever concerning the loyalty, integrity, reputation, associates, and devotion of Mr. MC CONE. He stated that, in his estimation, Mr. MC CONE is a desirable public servant, and he would highly recommend him for the position for which he is being considered.

On October 26, 1961, Mr. ASA V. CALL, Chairman of the Board, Pacific Mutual Life Insurance Company, 523 West Sixth Street, Los Angeles, advised that Mr. JOHN A. MC CONE served on the Executive Committee of the Board of Directors for this company between February, 1961, and the present time. He stated that ten days ago he received from Mr. MC CONE a letter of resignation, which will become effective prior to or on the day of assumption of Mr. MC CONE's duties with the Central Intelligence Agency. Mr. CALL recalled that he had been interviewed during a prior investigation concerning Mr. MC CONE, in 1958, and stated that "everything I said then still goes." He stated, in addition, that Mr. MC CONE is an extremely satisfactory administrator of the highest reliability and integrity. He stated there is absolutely no reason whatsoever to question his loyalty to the United States Government, and he would highly recommend him for the position for which he is being considered.

On October 27, 1961, FRANK L. KING, President, Western Bancorporation, 600 South Spring Street, Los Angeles, advised that Mr. MC CONE became a member of the Board of Directors of the Western Bancorporation in February, 1961. At that time the Western Bancorporation was known as the First America Corporation, but a merger was effected and the Western Bancorporation was formed as a holding company for the United California Bank. He stated that he had in his possession a letter of resignation from JOHN A. MC CONE, to become effective prior to or on the date of Mr. MC CONE's assumption of duties with the Central Intelligence Agency. Mr. KING

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stated that acceptance of this letter of resignation is presently pending, awaiting a special meeting of the Board of Directors of the Western Bancorporation. He stated that the resignation will be accepted automatically with a letter of regret.

On October 27, 1961, HERBERT L. HAHN, Attorney, Security Building, Pasadena, California, and a member of the Board of Trustees of the California Institute of Technology (CIT) at Pasadena, advised SA GILMER G. ROBINSON that his personal contacts with Mr. MC CONE have been limited to mutual relations in the past as members of the Board of Trustees of CIT. He stated that Mr. MC CONE resigned from the Board of Trustees when he assumed his duties as head of the Atomic Energy Commission in 1958, and he has had no connection with CIT since that time. He stated that Mr. MC CONE has done a remarkable job in his job as a public servant, and he feels that he will continue to do an outstanding job as Director of the Central Intelligence Agency. Mr. HAHN stated that he has never heard Mr. MC CONE utter one word in opposition to the principles of the United States Government, and for this reason he believes him to be a completely loyal United States citizen; and he would recommend him for a position of trust with the United States Government.

On October 27, 1961, HERBERT H. G. NASH, Secretary, Board of Trustees, CIT, Pasadena, California, advised that JOHN A. MC CONE's resignation from the Board of Trustees of CIT was effective July 7, 1958. His tenure of service as a member of the Board of Trustees began in 1946 and continued until his resignation in 1958. Mr. NASH stated that he has had little association with Mr. MC CONE, but he has never heard anything unfavorable concerning his character, associates, reputation, or loyalty; and he would recommend him for the position for which he is presently being considered.

On October 27, 1961, CLAIR ENGLE, United States Senator from California, was interviewed at the Jonathan Club, 545 South Figueroa Street, Los Angeles, and he advised that

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JOHN A. MC CONE is known to him as a most able and patriotic individual. He stated that MC CONE has an outstanding reputation among the Government officials throughout Washington, D. C. ENGLE stated he considers MC CONE a highly responsible person, possessed of a great amount of drive and integrity, and he knows him to be a man of excellent character. He stated he is not personally acquainted with MC CONE's associates outside the Government, but he has never heard of any associations which would in any way reflect adversely on MC CONE. He stated he would give MC CONE his highest recommendation for appointment to a responsible position in the United States Government.

On October 26, 1961, HOWARD HANSON, Secretary and Counsel, First Western Bank and Trust Company, Los Angeles, advised that JOHN A. MC CONE was elected to the Board of Directors on February 27, 1961, and has now submitted his resignation to become effective prior to or upon assumption of his duties as Director of the Central Intelligence Agency. Mr. HANSON stated that the Board of Directors has voted to accept the resignation with regrets. Mr. HANSON stated his only association with Mr. MC CONE has been through the Board of Directors meetings, and he has been very impressed by Mr. MC CONE's ability and wide knowledge in various fields of business. He stated nothing has ever come to his attention which would cause him to question the character, associates, reputation, or loyalty of Mr. MC CONE, and he would highly recommend him for a position of trust with the United States Government. Mr. HANSON stated that Mr. M. E. MC MILLAN, President of First Western Bank and Trust Company, is currently on a tour of the United States and his exact date of return is not known. He stated that Mr. MC MILLAN is the only other individual in the bank who would be closely associated with Mr. MC CONE.

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HOSNER
On October 27, 1961, United States Congressman CRAIG HOSNER of California, was interviewed at the residence of his parents, 4130 Cedar Avenue, Long Beach, California, by SA KENNETH C. WALKER. HOSNER stated he had known MC CONE by his exceptionally good business reputation, since MC CONE had first had a part in the construction of the Hoover Dam many years ago. HOSNER stated he has personally been acquainted with MC CONE since 1956, both socially and in connection with MC CONE's position as Head of the Atomic Energy Commission. He stated MC CONE is a person of integrity, and has been very successful in the business world. He stated that through personal contacts with MC CONE and with employees and associates at the Atomic Energy Commission, he has observed that MC CONE, as a leader, was extremely highly respected and looked upon as a capable administrator. He stated that MC CONE has the "drive" and insight to organize to fulfill his appointment as Director of the Central Intelligence Agency. HOSNER stated he has no qualms whatsoever in recommending MC CONE for the position of Director of the Central Intelligence Agency, and has never heard anything which would reflect unfavorably on his character, associates, reputation or loyalty.

HIS EMINENCE
W
On October 27, 1961, JAMES FRANCIS Cardinal MC INTYRE, Archbishop of Los Angeles, 1531 West Ninth Street, Los Angeles, California, advised SA JOHN M. CASHEL that he had been acquainted with MC CONE in New York before he came here 15 years ago. He stated that MC CONE has been in Government service extensively and has a well-known good reputation. He stated that MC CONE is of the highest integrity, and the United States Government is fortunate to have a man of his caliber in service because of his honesty, integrity, loyalty and courage of convictions. He stated that MC CONE has headed an advisory committee of a technology school in Los Angeles for the Cardinal, and is highly regarded among businessmen throughout the United States. He stated that the name MC CONE is always received with esteem. Cardinal MC INTYRE stated that MC CONE has, in the years past, been Director of numerous companies and businesses throughout California, and has

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always been a public-minded individual. Cardinal MC INTYRE stated that he would recommend JOHN A. MC CONE for any job regardless of the position. He stated that MC CONE is a top-flight man of independent thought and, in addition, is a very prudent man. Cardinal MC INTYRE stated he would give his unqualified recommendation for appointment of JOHN A. MC CONE as Director of the Central Intelligence Agency.

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CREDIT AND POLICE AGENCIES

On October 24, 1961, the files of the Los Angeles Police Department and Los Angeles County Sheriff's Office, as caused to be reviewed by IC STEVEN T. SCHOENBAUM, failed to disclose a record identifiable with JOHN A. MC CONE or his wife. These files also failed to disclose a record identifiable with MC CONE's sisters, ALICIA JOSEPHINE MC CONE, MARGARET AICHER, and MARY LOUISE SHELBY.

On October 25, 1961, a review of the files of the Pasadena, California Police Department, as caused by SA GILMER G. ROBINSON, failed to disclose a record identifiable with MARGARET AICHER or JOHN A. MC CONE and his wife.

On October 25, 1961, a review of the files of the Riverside County Sheriff's Office and Riverside Police Department, Riverside, California, as caused to be made by SA STANLEY H. FUEHRER, failed to reflect any record identifiable with ALICIA MC CONE in addition to that previously reported.

On October 26, 1961, a review of the files of the Riverside Credit Bureau, as caused by SA FUEHRER, failed to disclose any additional information concerning ALICIA MC CONE, 3205 Polk Street, Arlington, California (a suburb of Riverside), in addition to that previously reported.

On October 26, 1961, a review of the files of the Los Angeles Retail Merchants Credit Association, as caused to be made by IC TED W. CRAWFORD, failed to disclose any information concerning JOHN A. MC CONE and his wife ROSEMARY; his sister, MARY LOUISE SHELBY, aka. Mrs. DONALD C. SHELBY; his sister, MARGARET J. AICHER, aka. Mrs. J. W. H. AICHER; or his sister, ALICIA J. MC CONE, in addition to that already reported.

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RELATIVES

On October 26, 1961, Mrs. COLADENE HYKES, 3200 Tyler Street, Arlington, California, advised that her property immediately adjoins that of ALICIA MC CONE at 3205 Polk Street. She stated that nothing has ever come to her attention which would reflect unfavorably on Miss MC CONE, and she believes her to be a person of good character and reputation and a loyal United States citizen.

On October 26, 1961, Mrs. RUTH GARMES, 460 Dalehurst Avenue, West Los Angeles, California, advised SA CARL V. PORTER that she had been a neighbor of the SHELBYs for fifteen years. She stated just recently DONALD and MARY LOUISE SHELBY moved to 11922 Saltair Terrace, Los Angeles 49, California. She stated she is a frequent visitor in their home and that her daughter CAROL regularly dates JOHN SHELBY. Mrs. GARMES stated nothing has ever come to her attention which would reflect adversely on the character or reputation of any member of the SHELBY family.

On October 27, 1961, Mrs. J. C. BRIDGES, 665 Westbridge, Pasadena, California, advised that Mrs. MARGARET AICHER currently resides at 670 Westbridge, Pasadena, and enjoys a good reputation in the neighborhood. Mrs. BRIDGES stated that Mrs. AICHER is a widow, and she believes her to be a completely loyal United States citizen.

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NEWSPAPER MORGUES

On October 26, 1961, the files of the "Los Angeles Times", a local daily newspaper, were reviewed by IC STEVEN T. SCHOENBAUM. Contained in the "Los Angeles Times" issue of September 28, 1961, was an article which reflected that JOHN A. MC CONE, who had been in Washington, D. C., conferring on Atomic Energy Commission matters, had returned to Los Angeles. While in Washington, D. C., MC CONE had been called to the White House and asked to take the job of Director of Central Intelligence Agency. The article disclosed that DULLES called MC CONE the "ideal choice for a man to carry on this important work."

No other information of pertinence to this investigation appeared in the files of the "Los Angeles Times".

On October 26, 1961, the files of the "Los Angeles Herald Express" were reviewed by IC STEVEN T. SCHOENBAUM, and no information in addition to that contained in the files of the "Los Angeles Times" was noted.

10/27/61

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DATE 3-22-02 BY SP4BJA/DPW

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TO: SAC, NEW YORK

FROM: SAC, KANSAS CITY (161-136)

JOHN ALEX MC CONE, SPI. RE SAN FRANCISCO TELETYPE TO LOS ANGELES, OCT. TWENTYSIX LAST, WHICH ADVISES AS FOLLOWS: BUDED OCT. THIRTY NEXT. WHITE HOUSE HAS REQUESTED PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP-TO-DATE. BORN JAN. FOUR NINETEEN TWO, SF, CALIF. PAST CHAIRMAN AEC. SEE WHO-S WHO FOR BACKGROUND. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION. INVESTIGATION DISCLOSES MC CONE A MEMBER OF BOARD OF DIRECTORS, TRANS WORLD AIRLINES. WILLIAM WEST, NATIONAL AUDIT DEPARTMENT, TWA, KCMO, ADVISED THAT EXECUTIVE OFFICES OF TWA ARE LOCATED AT THREE EIGHT ZERO MADISON AVE., NEW YORK CITY, AND SUGGESTED THAT APPROPRIATE OFFICIALS TO CONTACT RE MC CONE WOULD BE CHARLES C. TINNINGHAST, JR., PRESIDENT, AND ERNEST R. BREECH, CHAIRMAN OF THE BOARD OF TWA, BOTH LOCATED NYC. NY HANDLE. NO FURTHER INQUIRY BEING MADE KC AND NO REPORT BEING SUBMITTED. BUREAU ADVISED AM. RUC.

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NOT RECORDED

16 OCT 30 1961

FEDERAL BUREAU OF INVESTIGATION

Reporting Office CHARLOTTE	Office of Origin BUREAU	Date 10/28/61	Investigative Period 10/27/61
TITLE OF CASE JOHN ALEX McCONE		Report made by SA RUFUS H. POWELL: mjh	Typed By:
		CHARACTER OF CASE SPI	

Synopsis:

REFERENCE:

Bureau teletype dated 10/25/61.

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA RUFUS H. POWELL
Date: 10/28/61

Office: CHARLOTTE

Field Office File No.: 161-166

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

Synopsis:

Former Congressman CARL DURHAM, Chapel Hill, N. C., advised he had known McCONE professionally and would recommend him highly as a capable, loyal American.

- RUC -

DETAILS:AT CHAPEL HILL, NORTH CAROLINA.ASSOCIATE

On October 27, 1961, CARL DURHAM, East Franklin Street, advised that he was the Congressman from the 10th Congressional District of North Carolina for more than 20 years up until the last term when he retired from politics. During this 20 years in Washington, D. C., he had occasion to observe Mr. JOHN A. McCONE when he appeared before the Armed Services Committee and later before the Joint Committee on Atomic Energy. At other times Mr. DURHAM said he met and talked with Mr. McCONE on official matters. During one of these meetings he met Mrs. McCONE.

Mr. DURHAM advised that while he did not know Mr. McCONE's background, he felt that his contact with Mr. McCONE was sufficiently

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close and was extended over a period of years so that he was amply informed to give a thorough estimate of his capabilities and character. Mr. CONE, he stated, is an able, capable, deeply patriotic, very sincere person in all that he undertakes. He was thorough and energetic and handled his affairs in an impressionable manner. Mr. DURHAM stated that he would highly recommend him for a position of trust in the Government as a loyal American of good character and associates.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office LOUISVILLE	Office of Origin BUREAU	Date 10/28/61	Investigative Period 10/26/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by SA ROBERT CLARK STONE	Typed By: mm
		CHARACTER OF CASE SPI	

Synopsis:

REFERENCE

Oklahoma City teletype to Louisville 10/26/61.

-RUC-

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DATE 3-22-02 BY SP4 BJA/DFW
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Approved: <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
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		NOT RECORDED 13 OCT 30 1961	

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA ROBERT CLARK STONE
Date: October 28, 1961

Office: LOUISVILLE

Field Office File No.: LS 161-70

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

HAROLD CUTLIFF STUART, former Assistant Secretary, U.S.A.F., recommends applicant, considers him a hard worker, intelligent, able, honest, and loyal, with great love for his country. Stated he criticized applicant when MC CONE was Undersecretary, U.S.A.F., because MC CONE gave contracts to [redacted] and other contractors without sufficient controls, resulting in waste that cost Government millions of dollars. STUART feels that this did not constitute disloyalty or fraud, but merely bad management and loose handling of Government money. Would recommend applicant for any position in which he is not handling Government contracts. Sees no reason to furnish signed statement. Would be willing to testify as to above before any hearing board if necessary, and is willing to have his identity revealed.

b6
b7c

-RUC-

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HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
432859

LS 161-70

DETAILS:

HAROLD CUTLIFF STUART, former Assistant Secretary, United States Air Force, from 1949 to 1951, was contacted at Frankfort, Kentucky, on October 26, 1961, concerning applicant.

86 He said he had been interviewed by FBI Agents in 1948. His opinions concerning JOHN ALEX MC CONE have not changed since then, and he has not had any contact with applicant since last interviewed. He stated that he considers applicant to be a hard worker, intelligent, able, honest, and entirely loyal to the United States, with great love for his country. STUART was critical of applicant at the time the latter was Undersecretary for the United States Air Force as MC CONE was handling contracts for the Air Force, and let these contracts in many instances in 1950 and 1951 to his friends, including [REDACTED]. The contracts were legitimate, but did not have sufficient controls, which resulted in waste and delays that cost the Government millions of dollars. STUART did not consider this to be fraud or disloyalty on the part of MC CONE, but was bad business management and loose handling of Government money that MC CONE would undoubtedly not have permitted if he were working for his own company. b6 b7C

Mr. STUART said he would employ applicant himself if his services were needed and if the position did not involve the granting and handling of contracts. He considers applicant to be a man of integrity, well fitted for a position of responsibility. He said he has no objection to his identity being known in connection with MC CONE's application, does not see any reason to furnish a signed statement, but has no objection to appearing before any hearing board if this should become necessary.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE OMAHA	OFFICE OF ORIGIN BUREAU	DATE 10/28/61	INVESTIGATIVE PERIOD 10/28/61
TITLE OF CASE JOHN ALEX MC CONE		REPORT MADE BY ROSSITER C. MULLANEY	TYPED BY jeb
		CHARACTER OF CASE SPECIAL INQUIRY	

REFERENCE: Bureau teletype 10/25/61.

- RUC -

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DATE 3-22-02 BY SP4 BJA/DEF

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APPROVED <i>TJR</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:		161-1709-34	
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1 - Omaha (161-149)		9 OCT 30 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY		<i>SP4 BJA/DEF</i>	
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: ROSSITER C. MULLANEY
Date: October 28, 1961

Office: OMAHA

Field Office File No.: OM 161-149

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

Senator BOURKE B. HICKENLOOPER, Iowa, advised he has high regard for MC CONE's ability, integrity, moral character, reputation, and considers him loyal American and very capable.

- RUC -

DETAILS:

Senator BOURKE B. HICKENLOOPER, United States Senator from Iowa, on October 28, 1961, at Des Moines, Iowa, advised he has known JOHN MC CONE for about ten years and intimately for the last five or six years. He stated he has a high regard for MC CONE, considers him "tops" in ability, integrity, moral character, personal habits, and reputation. He stated MC CONE is a very capable man in every respect and a loyal American citizen.

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DATE 3-22-02 BY SP4BJA/DFW
II 346867

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 30 1961

TELETYPE

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Mr. Ingram
Miss Gandy

URGENT 10-30-61 10-50 AM PST JG

TO DIRECTOR, FBI

FROM SAC, SAN DIEGO 77-2982 1 P

JOHN ALEX MC CONE, SPECIAL INQUIRY. UNITED STATES

SENATOR THOMAS H. KUCHEL, REPUBLICAN DASH CALIFORNIA, THIS
DATE ADVISED HE IS AWARE OF POSITION MC CONE IS BEING
CONSIDERED FOR. KUCHEL STATED HE HAS KNOWN AND
ASSOCIATED WITH MC CONE FOR THE PAST TEN YEARS AND
IS WELL AWARE OF THE OUTSTANDING JOB MC CONE DID
WHILE SERVING AS FORMER CHAIRMAN OF ATOMIC ENERGY
COMMISSION. KUCHEL HIGHLY RECOMMENDS MC CONE FOR
POSITION OF TRUST AND RESPONSIBILITY WITH UNITED
STATES GOVERNMENT. REPORT FOLLOWS.

END

WA 1-53 PM OK FBI WA JA

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1-cc destroyed 11-27-61 WAB/SLC.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office SAN FRANCISCO	Office of Origin BUREAU	Date 10/30/61	Investigative Period 10/30/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by SA GARY N. MAVITY	Typed By: lmr
		CHARACTER OF CASE SPI	

Synopsis:

REFERENCES: Los Angeles teletype to Bureau, 10/27/61.
San Francisco teletype to Bureau, 10/30/61.

- RUC -

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DATE 3-22-02 BY SP4BJA/DFW
II 432859

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
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		NOT RECORDED	
		7 NOV 1 1961	

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA GARY N. MAVITY
Date: October 30, 1961

Office: SAN FRANCISCO

Field Office File No.: 77-2520

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis: T.S. PETERSEN, President, Standard Oil of California,
commented favorably.

- RUC. -

DETAILS: AT SAN FRANCISCO, CALIFORNIA

Mr. T.S. PETERSEN, President, Standard Oil Company of California, 225 Bush Street, was interviewed telephonically October 30, 1961, at his request. He advised that he has known MC CONE for 25 to 30 years through their business associations and on a close personal basis. He stated he has been closely associated with MC CONE's wife, ROSEMARY, also during that time. He considers MC CONE to be a person of the highest integrity and character whose loyalty is beyond question. He advised that MC CONE was elected to the Board of Directors of Standard Oil earlier this year upon the termination of his Atomic Energy Commission position and has resigned effective November 18, 1961, in order to take a new position with the government as head of Central Intelligence Agency. He recommended MC CONE highly for a position of trust and confidence.

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DATE 3-22-02 BY SP4BJA/DFW

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FEDERAL BUREAU OF INVESTIGATION

Reporting Office DENVER	Office of Origin BUREAU	Date 10/30/61	Investigative Period 10/30/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by HAROLD P. MOSS	Typed By: il
		CHARACTER OF CASE SPECIAL INQUIRY	

~~EXEMPT~~

REFERENCES: Bureau teletype to Los Angeles and other offices dated 10/25/61.

Denver radiogram to the Bureau dated 10/26/61.

- RUC -

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DATE 3-22-02 BY SP4BJH/DFW
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Approved: <i>AW.</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: 1 - Bureau (AM) 1 - Denver (161-215) <i>mb</i>		161-1709-37	
		NOT RECORDED NOV 1 1961	

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA HAROLD P. MOSS
Date: October 30, 1961

Office: Denver, Colorado

Field Office File No.: 161-215

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

Synopsis:

Congressman WAYNE N. ASPINALL, Grand Junction, Colorado, recommended MC CONE as trustworthy, temperate person, of excellent judgment, and a reliable, loyal American citizen.

- RUC -

DETAILS:

On October 30, 1961, Congressman WAYNE N. ASPINALL, Federal Building, Grand Junction, Colorado, advised he has known MC CONE for the past four years only, principally in connection with legislative matters coming before the Joint Committee on Atomic Energy. He had very frequent contact with him on such Committee, and has had numerous social contacts with him. Congressman ASPINALL reported he thought MC CONE to be above reproach in every respect and that he would highly recommend him for a position of trust with the Government. He stated MC CONE is one of the finest men he has ever known and that the

DN 161-215

United States Government is very fortunate that MC CONE will accept an appointment. He stated that he considers MC CONE to be trustworthy, dependable, temperate in habits, a person of excellent judgment, and a person who has a very fine reputation with members of both major political parties. He is a very able administrator and is a fine, loyal American citizen.

Congressman ASPINALL stated he had an occasion to make an extended business trip with MC CONE to Europe in connection with a visit to the NATO countries. He found him to be above reproach in every respect on that trip. He considered him to be a fine representative of an agency of the United States Government.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE WASHINGTON FIELD	OFFICE OF ORIGIN BUREAU	DATE 10/30/61	INVESTIGATIVE PERIOD 10/25-30/61
TITLE OF CASE JOHN ALEX MC CONE		REPORT MADE BY FELIX T. HOLT, JR.	TYPED BY pmk
		CHARACTER OF CASE SPI	

REFERENCES

Butel, 10/23/61, and 10/25/61.
 NY radiogram, 10/25/61.
 SLtel, 10/25/61.
 Hotel, 10/26/61.
 Latel, 10/27/61.

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DATE 3-22-02 BY SP4 BJA/DEW

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ADMINISTRATIVE DATA

On 10/27/61, Miss CHARLOTTE E. WISMER, Secretary, Office of the Officer in Charge of NATO Political Affairs, Office of European Regional Affairs, United States Department of State, advised SA JOSEPH W. SPEICHER that Ambassador THOMAS K. FINLETTER is presently at his position in Paris and is not due to return to the United States in the near future.

It will be noted that ROSEWELL GILPATRIC, Deputy Secretary of Defense, had been outside the United States and

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AGENCY		2 13 44 81	
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

WFO 77-26669

is expected to be in Washington, D.C. area by October 30, 1961. If Mr. GILPATRIC returns to Washington, D.C., WFO will interview him and report results of interview immediately.

LEADS

WASHINGTON FIELD OFFICE

AT WASHINGTON, D.C.

1. Will report results of interviews with Admiral ARTHUR W. RADFORD, Admiral H. G. RICKOVER, and Senator EUGENE J. MC CARTHY.

2. Will report results of outstanding check of records at OSI, State Passport, Secret Service and IRS.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: **FELIX T. HOLT, JR.**
Date: **10/30/61**

Office: **Washington, D.C.**Field Office File No.: **77-26669**

Bureau File No.:

Title: **JOHN ALEX MC CONE**Character: **SPECIAL INQUIRY**

ALL INFORMATION CONTAINED

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DATE 3-22-82 BY SP4BJA/DRW

432859

Synopsis:

AEC file reviewed. AEC commissioners recommend. United States Representative, ALBERT THOMAS, recommends. Satisfactory credit rating. No record police agencies. No additional pertinent information CSC. No record HCUA. No additional pertinent information CIA. No additional pertinent information Daily News Morgue. No additional pertinent information Newspaper Morgue, at Evening Star reviewed. No additional information White House.

- P -

DETAILS: AT WASHINGTON, D. C.EMPLOYMENT

On October 27, 1961, Mrs. IDA V. RAWLINGS, Clerk, Security Files, Washington Area Security Office, (WASO), United States Atomic Energy Commission, (AEC), made available to SA JOHN D. MCKINNEY the appointee's security file Number WA-17925. The above file reflected the following information:

Q Clearance granted June 19, 1950, by WASO, (Department of the Air Force), which was terminated October 5, 1953.

Q Clearance granted June 6, 1958, by WASO on presidential appointment of the appointee as Chairman of the AEC. The above clearance was extended to Central Intelligence Agency on October 3, 1961. The above file contained no additional pertinent information.

Mrs. R. MILDRED LA MASTRA, Clerk, Personnel Files, Office of Personnel, United States Atomic Energy Commission, made the appointee's official personnel file available to SA MCKINNEY on October 27, 1961. The above file reflected that on July 14, 1958, the appointee was designated Chairman to the AEC by former President DWIGHT D. EISENHOWER.

The above file reflected a memo from the Office of the Secretary of Defense, October 15, 1958, which reflects the appointee was employed by the Office of the Secretary of Defense from April 8, 1948 to October 11, 1948, as a Special Advisor to the Secretary of Defense. During this period he served without compensation.

A memo dated October 14, 1958, indicated the appointee was employed in the Department of the Air Force, Washington, D.C., from June 15, 1950 to September 12, 1951.

A Health Benefits Registration form dated June 30, 1960, reflected the appointee's residence as 3025 Whitehaven Street, N.W., Washington, D.C.

A copy of an undated letter from former President DWIGHT D. EISENHOWER acknowledges MC CONE's resignation effective January 20, 1961, and commends him on the "tremendous advances in all aspects of atomic energy from peaceful uses to defense uses," made during his tenure as Chairman of the United States Atomic Energy Commission. The appointee resigned as Chairman, Office of the Commissioners, United States Atomic Energy Commission, effective January 20, 1961.

The above also reflected Contract Number AT (49-13) 1940, dated March 8, 1961, to JOHN A. MC CONE, 1100 Oak Grove Avenue, San Marino, California, issued as Consultant to serve as Advisor to the Commission, at the rate of \$100 per day when actually employed during the period January 21, 1961 to June 30, 1961. This contract was reissued for the period July 11 1961 to June 30, 1962.

No additional pertinent information was contained in the above file.

On October 27, 1961, Mr. LOREN K. OLSON, Commissioner, AEC advised he has known the appointee both professionally and socially for approximately ten years. Mr. OLSON stated he is acquainted with the appointee's wife. Mr. OLSON described Mr. MC CONE as the most intelligent man he has ever met, who is honest, forthright, and outstanding in every way. Mr. OLSON stated he would not have any hesitation whatsoever in recommend-

ing the appointee for any position involving trust and confidence. Mr. OLSON stated that during the period he has known Mr. MC CONE nothing of derogatory nature concerning his character, reputation, associates, and loyalty has ever been brought to his attention.

On October 30, 1961, Mr. JOHN S. GRAHAM, Commissioner, AEC, advised he has known Mr. MC CONE since the early 1950's when he, GRAHAM, was Assistant Secretary of the Treasury. He stated that he worked closely with the appointee when the latter was Chairman of the AEC from July, 1958 until January 20, 1961. Mr. GRAHAM described the appointee in the highest terms with regard to his character, reputation, associates, and loyalty, and stated MC CONE was "two-fisted," dynamic, of high moral and religious convictions. He stated Mr. MC CONE has a strong desire to do a good job and demands that the people working under him also do a good job. He stated that he has met the appointee's wife and stated that both the appointee and his wife have visited his home and he in theirs. Mr. GRAHAM commented favorably concerning Mrs. MC CONE. Mr. GRAHAM stated he would highly recommend Mr. MC CONE for a position of trust and confidence.

On October 30, 1961, Doctor ROBERT E. WILSON, Commissioner, AEC, advised he has known the appointee for ten or twelve years, and has worked very closely with him during the past three years. Doctor WILSON stated he is acquainted with the appointee's wife and vouched for their character, reputation, associates, and loyalty. Doctor WILSON commented that the only adverse comments that he has heard concerning the appointee have originated from a certain segment of those in the scientific field, who believe that the United States should not conduct any ~~nuclear~~ tests at any cost. Doctor WILSON commented that this criticism of the appointee should in no way reflect adversely on the appointee,

Doctor WILSON stated he would recommend the appointee highly for a position of trust and confidence.

Interview of United States Representative, ALBERT THOMAS

On October 26, 1961, United States Representative, ALBERT THOMAS, advised SA PAUL E. ERTZINGER he has known the appointee since he was appointed Chairman of the AEC and

considers him to be outstanding in every way. He stated Mr. MC CONE is very capable, competent, and a good administrator. He stated the appointee's character, reputation, associates, and loyalty are above any question. Representative THOMAS stated he knows of nothing whatsoever unfavorable concerning the appointee and recommended him for any position of trust and responsibility with the United States Government.

CREDIT AND POLICE AGENCY CHECKS

The files of the Credit Bureau, Incorporated as caused to be searched by IC J. DONALD MYERS on October 26, 1961, revealed a satisfactory credit rating for the appointee and his wife, ROSEMARY.

The files of the United States Park Police as caused to be searched by IC MICHAEL J. HALLY on October 26, 1961, revealed no record for the appointee or his wife.

The files of the Metropolitan Police Department as searched by IC HALLY and SE JOSEPH C. CREEDEN on October 30, 1961, revealed no record for the appointee or his wife; at all times an indefinite number of unidentified records are out of file and not available for review.

The files of the Arlington, Virginia, Police Department as caused to be searched by IC ROBERT A. LARSON on October 30, 1961, failed to reveal a record for the appointee of his wife.

MISCELLANEOUS

The files of the Bureau of Personnel Investigations, Civil Service Commission, as caused to be searched by SA J. RICHARD NICHOLS on October 27, 1961, revealed no additional pertinent information concerning the appointee. ✓

The files of the House Committee on Un-American Activities as searched by IC ROBERT E. LEGG on October 26, 1961, revealed no record for the appointee. ✓

The files of the Central Intelligence Agency as caused to be searched by SA ROBERT H. BURKART on October 26, 1961, revealed no additional pertinent information concerning the appointee.

On October 27, 1961, Miss JOSEPHINE MOCKLAR, Librarian, Washington Daily News, advised SA PAUL F. DOUGHERTY the News

WFO 77-26669

Morgue of the Daily News contained no additional pertinent information concerning the appointee.

On October 27, 1961, the Newspaper Morgue of the Washington Evening Star was reviewed by SA DOUGHERTY. The above files contained an article dated October 16, 1961, concerning Mr. MC CONE ~~was~~ appointed to head the Central Intelligence Agency. In this article Senator EUGENE J. MC CARTHY of Minnesota is quoted as stating he was not sure that Mr. MC CONE has the qualifications to head the Central Intelligence Agency.

The above files contained no additional pertinent information.

On October 26, 1961, Mrs. JEAN ROBB, Personnel Office, the White House, Office, advised SA PAUL E. ERTZINGER her files contained no additional pertinent information concerning the appointee.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office SAN DIEGO	Office of Origin BUREAU	Date 10/30/61	Investigative Period 10/30/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by ROBERT S. BAKER	Typed By: pjr
		CHARACTER OF CASE SPECIAL INQUIRY	

Synopsis:

REFERENCES: Los Angeles teletype to Bureau and San Diego dated 10/27/61;
San Diego teletype to Bureau dated 10/30/61.

- RUC -

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DATE 3-22-02 BY SP4 BJA/DFW

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

ROBERT S. BAKER
October 30, 1961

Office: SAN DIEGO

Date:

Field Office File No.:

SD 77-2982

Bureau File No.:

Title:

JOHN ALEX MC CONE

Character:

SPECIAL INQUIRY

ALL INFORMATION CONTAINED

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DATE 3-22-02 BY SP4BJA/DFW

432859

Synopsis:

U. S. Senator THOMAS H. KUCHEL (R-California) advised that he has been acquainted with JOHN A. MC CONE for approximately ten years. KUCHEL is aware of position MC CONE is being considered for and considers him an outstanding executive. KUCHEL favorably recommends MC CONE for a position of trust and responsibility with the United States Government.

- RUC -

DETAILS: AT SAN DIEGO, CALIFORNIA

U. S. Senator THOMAS H. KUCHEL (R-California), on October 30, 1961, advised he has known and associated with JOHN A. MC CONE for approximately the past ten years. Senator KUCHEL advised MC CONE is a man of about 60 years of age and has exhibited outstanding executive talents both in private business and as former Chairman of the Atomic Energy Commission. Senator KUCHEL stated that he is aware of the position MC CONE is being considered for in the United States Government. Senator KUCHEL stated that he is most pleased to recommend JOHN A. MC CONE for a position of trust and high responsibility with the United States Government.

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 30 1961

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

URGENT 10-30-61 12-08 PM PST WM

TO DIRECTOR, FBI AND SAC, NEW YORK

NEW YORK VIA WASHINGTON

FROM SAC, SAN FRANCISCO 1 PG

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY. RE BUREAU TELETYPES

OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE LAST, AND LOS ANGELES TELETYPE OCTOBER TWENTYSEVEN LAST. RE LOS ANGELES TELETYPE REPORTS MC CONE MEMBER OF BOARD OF DIRECTORS OF STANDARD OIL COMPANY OF CALIFORNIA SINCE TERMINATION OF AEC POSITION AND HAS SUBMITTED RESIGNATION EFFECTIVE PRIOR TO OR AS OF DATE HE ASSUMES DUTIES WITH CIA. INQUIRY AT STANDARD OIL SAN FRANCISCO DISCLOSED R. G. FOLLIS, CHAIRMAN OF BOARD DIRECTORS, WHOSE INTERVIEW WAS SUGGESTED BY LOS ANGELES, IS PRESENTLY IN NEW YORK FOR ABOUT A WEEK AND CAN BE REACHED AT CAL COMMERCIAL, THIRTY ROCKEFELLER PLAZA, ROOM FOUR FIVE ZERO SEVEN, PHONE CIRCLE SIX FOUR ZERO FOUR THREE, OR AT PLAZA HOTEL. NEW YORK INTERVIEW FOLLIS. SAN FRANCISCO ATTEMPTING TO LOCATE AND INTERVIEW OTHERS IN STANDARD OIL WHO KNOW MC CONE. FOR INFORMATION OF NEW YORK FOLLIS INTERVIEWED IN ONE NINE FIVE EIGHT INVESTIGATION OF MC CONE AND FAVORABLE.

END AND ACK PLS.

WA 3-13 PM OK FBI WA DA FOR RELAY

TU DISC I

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

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16 JAN 8 1962

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 30 1961

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DATE 3-22-02 BY SP4 BJA/DEW

432859

URGENT 10-30-61 3-04 PM PST MPD

TO DIRECTOR, FBI

FROM SAC, SAN FRANCISCO /77-2520/ 1P

JOHN ALEX MC CONE. SPI. BUDED OCTOBER THIRTY. RE LOS ANGELES TELETYPE
OCTOBER TWENTY SEVEN LAST AND SAN FRANCISCO TELETYPE OCTOBER THIRTY.
T.S. PETERSEN, PRESIDENT OF STANDARD OIL OF CALIFORNIA, SAN FRANCISCO,
INTERVIEWED TELEPHONICALLY THIS DATE AT HIS REQUEST. ADVISED HE HAS
KNOWN MC CONE FOR TWENTY FIVE OR THIRTY YEARS THROUGH BUSINESS
RELATIONSHIPS AND ALSO ON SOCIAL BASIS. CONSIDERS MC CONE TO BE OF
HIGHEST INTEGRITY AND PERSONAL CHARACTER WHOSE LOYALTY IS ABOVE
QUESTION. ADVISED MC CONE ELECTED TO BOARD OF DIRECTORS OF STANDARD
OIL UPON TERMINATION OF AEC POSITION AND HAS NOW RESIGNED EFFECTIVE
NOVEMBER EIGHTEEN NEXT. RECOMMENDS HIGHLY FOR POSITION OF TRUST AND
CONFIDENCE. REPORT FOLLOWS.

END AND ACK PLS.

6-08 PM OK FBI WA MSL

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NO DEPT. OF JUSTICE

FBI

OCT 30 8 37 PM '61

URGENT-10-30-61

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NOT RECORDED

16 JAN 8 1962

Spec. Del.
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10/30/61

Airtel

To: SAC, Washington Field

From: Director, FBI

JOHN ALEX MC CONE
SPI

Reurairtel this date.

Permission granted to interview Senator Eugene
J. McCarthy.

NOTE: Interview with Senator McCarthy cleared with
Mr. Kemper this date.

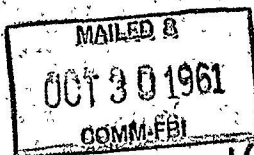
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DATE 3-22-02 BY SP4 BJA/DFW
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WHB:dhk

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Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____



MAIL ROOM ☒

TELETYPE UNIT ☐

WFO

F B I

Date: 10/30/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669)

JOHN ALEX McCONE
SI

Buteletype 10/23/61.

A review of the library of the "Evening Star" reveals an article of 10/16/61, in which United States Senator EUGENE J. McCARTHY of Minnesota, is quoted as stating he is not sure McCONE is qualified to head the CIA.

In view of the above, WFO will attempt to locate and interview Senator McCARTHY UACB.

P
③-Bureau
1-WFO (77-26669)

FTH:kjy
(4)

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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEW

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NOT RECORDED

16 JAN 8 1962

Spec. Ind. 11

2-cc destroyed 11-27-61 WAB/gib.

Approved: hw Sent _____ M Per _____
Special Agent in Charge

F B I

Date: 10/31/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-2666)

JOHN ALEX McCONE
SPIALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
432859ReWFO report, FELIX T. HOLI, 10/30/61.
Buairtel 10/30/61.

On 10/30/61, Admiral ARTHUR W. RADFORD, 1625 K Street, N. W. advised SA STANLEY T. BLASZEK he has known McCONE since 1948, both professionally and socially. He described McCONE as an outstanding public servant and an excellent executive and administrator. Admiral RADFORD stated "McCONE is just what CIA needs, a good tough administrator." He stated he would recommend McCONE without reservation. Admiral RADFORD advised that during the period he has known Mr. McCONE nothing of a derogatory nature concerning McCONE's private, social, or professional life has ever come to his attention.

United States Senator EUCENE J. McCARTHY of Minnesota, advised SA PAUL F. DOUGHERTY on 10/30/61, he does not possess much background information concerning McCONE and he is not personally acquainted with the appointee. Senator McCARTHY advised that he has never served on a committee that would have afforded him contact with McCONE.

On 10/30/61, IC PAUL M. CAVANAUGH reviewed the appointee's file at the Passport Office, Department of State, which listed his birth as 1/4/02, at San Francisco, California.

Passport #176717 was issued the appointee on 10/27/58, for ten days' travel to England, Belgium, and France on official business.

Diplomatic Passport #7355, issued 3/6/56, was revalidated on 2/14/60, for travel to Austria as the Representative of the United States to the Fourth General Conference of the International Atomic Energy Agency to be held at Vienna.

③ - Bureau
1 - WFO
FTH:JMO (4)

161-1709-43
NOT RECORDED

16 JAN 8 1962

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

WFO 77-26669

Passport #176717 was revalidated on 11/22/60, for approximately two weeks' travel to England, France, Italy, Netherlands, Germany, Greece, Turkey, and Spain, on official business for the Atomic Energy Commission.

The above file contained no additional pertinent information.

WFO will report results of attempts to interview ROSWELL GILPATRICK and Admiral H. G. RICKOVER.

Check of records at OSI, Secret Service, and IRS outstanding.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
OCT 31 1961
TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Mr. Ingram _____
Miss Gandy _____

URGENT 10-31-61 11-26 PM JFA
TO DIRECTOR /14/
FROM SAC, NEW YORK 161-799

*multiple
in class and
delte*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-82 BY SP4 BJA/DFW
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JOHN ALEX MC CONE, SPL. ~~NAME~~ C. TILLINGHAST, JR., PRESIDENT, TWA, AND
R. G. FOLLIS, CHAIRMAN OF BOARD, STANDARD OIL OF CALIFORNIA, RECOMMEND
APPOINTEE. REPORT FOLLOWS.

END

NY R NR 14 WA JHA

1-cc - destroyed 11-27-61 *no* WHB/tjt.

OCT 31 161-1729-44
NOT RECORDED
DEC 1 16 JAN 8 1962
REC'D - 11-27-61

Spec Ind

FEDERAL BUREAU OF INVESTIGATION

Reporting Office NEW YORK	Office of Origin BUREAU	Date 10/31/61	Investigative Period 10/27-31/61
TITLE OF CASE JOHN ALEX MC CONE		Report made by JOSEPH P. FINNEGAN	Typed By: mam
		CHARACTER OF CASE SPECIAL INQUIRY	

XXXXX
Synopsis

REFERENCE

Report of SA JOSEPH P. FINNEGAN,
10/27/61, at New York.

- RUC -

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
432859

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made: 1-Bureau 1-New York (161-799) <i>[Stamp: RECEIVED NOV 1 1961]</i>		161-1709-45	
		NOT RECORDED 16 NOV 1 1961	

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

JOSEPH P. FINNEGAN

Office:

New York, New York

Date:

10/31/61

Field Office File No.:

161-799

Bureau File No.:

Title:

JOHN ALEX MC CONE

Character:

SPECIAL INQUIRY

Synopsis:

President, TWA, and Chairman of the
Board, Standard Oil of California,
recommend appointee.

- RUC -

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
432859

NY 161-799

DETAILS:

EMPLOYMENTS

Trans World Airlines, Inc.
380 Madison Avenue
New York, New York

Mr. CHARLES C. TILLINGHAST, JR., President, advised on October 30, 1961, that JOHN A. MC CONE had been a member of the Board of Directors of this company for about six months until his resignation had been accepted on October 20, 1961. Mr. MC CONE, during that time, had visited New York on several occasions and this has been the extent of Mr. TILLINGHAST's association with the appointee. He stated that the appointee is regarded as a man of outstanding ability and as a person of the finest character and reputation and a loyal American citizen. Mr. TILLINGHAST stated that he could not comment further and that Mr. ERNEST R. BREECH, Chairman of the Board of Directors, who is acquainted with the appointee, is in Europe.

Standard Oil Of California, Inc.
San Francisco, California

Mr. R. G. FOLLIS, Chairman of the Board of Directors, who was contacted on October 30, 1961, at the California Commercial Company, 30 Rockefeller Plaza, New York, stated that he has known JOHN MC CONE and his wife since the 1930's. When the appointee resigned from the Atomic Energy Commission in January, 1961, he offered him a position on the Board of Directors as they both thought at the time that the appointee's career in government service had terminated. Mr. FOLLIS stated that the appointee's resignation has been submitted but has not yet been acted on by the Board of Directors. He has attended several of the monthly meetings of the Board of Directors and these have been Mr. FOLLIS' only contacts with the appointee since 1958. He stated that the federal government is fortunate to have secured the services of the appointee who is a very capable, energetic administrator and a sincerely dedicated public servant of the highest character, reputation, integrity and loyalty.

F B I

Date: 10/31/61

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via TELETYPE URGENT
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI AND SAC, ATLANTA

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE SPI. REBUREAU TELETYPE OCTOBER TWENTYFIVE,
LAST. SENATOR RICHARD B. RUSSELL OF GEORGIA INTERVIEWED THIS
DATE AT WASHINGTON, D C. PENDING.

- ② - Bureau
- 2 - Teletype Unit
- 1 - WFO

FTH:djt
(5)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW

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NOT RECORDED

16 JAN 8 1962

REC'D DEPT OF JUSTICE
FBI

1-cc destroyed
11-27-61

Approved: AW
Special Agent in Charge

Sent _____ M Per _____

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Evans

DATE: November 1, 1961

FROM : W. V. Cleveland

SUBJECT: JOHN ALEX MC CONE
SPECIAL INQUIRY - WHITE HOUSE

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

L. Allen
Pap

Request for investigation of McCone received from Mr. O'Donnell at the White House on October 23, 1961. McCone has been named Director of Central Intelligence Agency. Investigation completed with the exception of checks of several governmental agencies and interviews with several individuals who have been unavailable.

BACKGROUND:

McCone, aged 59, is a native of California. He attended the University of California, receiving a Bachelor of Science degree in 1922. He has had various business interests in California which have included, among others, the California Shipbuilding Corporation (President), Pacific Far East Lines (Chairman of the Board), Panama Pacific Tankers Corporation (President), Joshua Hendy Corporation (President and Chairman of the Board), and Bethel-McCone Engineering Company (President). McCone's permanent residence is in San Marino, California. He also has a residence at 3025 Whitehaven Street, Northwest, Washington, D. C.

McCone was employed by the President's Air Policy Commission, as Consultant (1947-1948), Department of Defense and as Special Assistant (1948); Department of the Air Force as Undersecretary (1950-1951); Department of State, Consultant (1954-1956). He was Chairman of the Atomic Energy Commission from July, 1958, until January, 1961, when he resigned. We conducted applicant-type investigations concerning McCone in 1948, 1950, 1954 and 1958 in connection with the above positions. No derogatory information was developed. He was described as a man of outstanding ability, a natural leader and an excellent organizer and administrator.

During the above investigations information was developed that McCone, when Undersecretary of Air Force, was alleged to have shown favoritism or personal interest in awarding a \$190,000,000 aircraft contract in 1951 to the Kaiser-Frazer Corporation. The allegation was refuted by prominent individuals in possession of

Enclosures

WHB:lds

-5-

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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

Memorandum to Mr. Evans
Re: JOHN ALEX MC CONE

knowledge concerning same. Allegations that McCone was involved in the illegal or unethical purchase of surplus vessels from the United States Government were also refuted during the investigations by individuals, including officials of the United States Maritime Administration.

The results of our previous investigations were summarized in memoranda dated May 5, 1954, June 12, 1958, June 24, 1958, and June 30, 1958, a copy of each was furnished the White House on October 25, 1961.

The current investigation was favorable, however, it was stated that McCone has been in favor of continued nuclear tests, whereas some scientists feel the United States should not conduct nuclear tests. As a result thereof, newspaper reports indicate some of the scientists were furious when he was named to succeed Dulles at the Central Intelligence Agency.*

INFORMATION NOT INCLUDED IN TRANSMITTAL LETTER OR SUMMARY MEMORANDUM:

Ralph P. Flegal, San Francisco, California, former employee in one of McCone's business enterprises, alleged that during World War II McCone, in his business practices, made excessive profits bordering on profiteering. [REDACTED] b6 b7C

[REDACTED] Prior investigations which included McCone's business activities did not reveal any unethical business practices.

ACTION:

It is recommended that the attached transmittal letter and summary memorandum be delivered to the White House.

*No effort has been made to interview any of these scientists since the objections raised were not of a derogatory nature concerning McCone personally but instead related to the President's choice of McCone rather than a man whose beliefs were more in line with their own.

F B I

Date: 11/1/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE
SPI

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
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ReWFOairtel, 10/31/61.

On 10/31/61, ROSWELL L. GILPATRIC, Deputy Secretary of Defense, advised SA EDGAR L. CARTER he has had close social and professional contact with MC CONE since 1951. He recommended MC CONE for a position requiring the highest degree of trust and confidence.

GILPATRIC stated he regarded MC CONE as a highly capable and indefatigable worker. He also stated that he feels MC CONE is a man of excellent character, thoroughly loyal to the U. S. and enjoys an excellent reputation among his associates.

On 10/31/61, SA PAUL F. DOUGHERTY, in the course of another investigation, located and interviewed U. S. Senator RICHARD B. RUSSELL of Georgia. Senator RUSSELL stated he did not know MC CONE too well. He advised that he had no reason to doubt his loyalty and had no question concerning his character, habits, associates, or reputation.

On 11/1/61, Dr. GLENN T. SEABORG, Chairman, Atomic Energy Commission, advised he has known MC CONE for three to four years and this association has been limited, primarily, to his professional contacts at AEC. Dr. SEABORG stated he has

③ - Bureau
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16 JAN 8 1962

Spec. Inv.

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Approved: WJH Sent _____ M Per _____
Special Agent in Charge

WFO 77-26669

met the appointee's wife on one or two occasions. Their residence in WDC is 3025 Whitehaven Street, N. W. He described MC CONE as a fine administrator and executive. He stated he has never had any reason to question the appointee's character, reputation, associates, or loyalty. Dr. SEABORG stated he would recommend the appointee highly for a position of trust and confidence.

WFO will report results of attempt to interview Admiral H. G. RICKOVER.

Check of records at OSI, Secret Service and IRS, outstanding.

F B I

Date: 11/1/61

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via TELETYPE URGENT
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, AND SAC, LOS ANGELES (161-385)

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE. SPI. RELOS ANGELES TELETYPE OCTOBER

TWENTYSEVEN LAST. TERRANCE M LEE PRESENTLY IN LOS ANGELES.

CAN BE REACHED AT OFFICE OF JOSHUA HENDY CORP. TELEPHONE

MADISON NINE THREE SIX THREE ONE. LOS ANGELES HANDLE. PENDING.

- ② - Bureau
2 - Teletype Unit
1 - WFO

FTH:djt
(5)

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DATE 3-22-82 BY SP4BJA/DFW
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16 JAN 8 1962

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FBI

NOV 1 2 1961

Approved: [Signature] Sent _____ M Per _____
Special Agent in Charge

1-cc dist. cyc. 11-27-61 WHP/dfw

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
NOV 1 1961

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

#432859

*reclassified
in class and
letter*

*Mr. Young
1/1/68*

URGENT 11-1-61 7-09 AM MST JT

TO DIRECTOR, FBI

FROM SAC, DENVER 161-215 1P

JOHN ALEX MC CONE, SPI. REBUAIRTEL OCTOBER TWENTY SEVEN, NINETEEN SIXTY ONE. CONGRESSMAN WAYNE N. ASPINALL, GRAND JUNCTION, COLORADO, RECOMMENDED APPOINTEE AS TRUSTWORTHY, TEMPERATE PERSON OF EXCELLENT JUDGMENT AND A RELIABLE, LOYAL AMERICAN CITIZEN. REPORT FOLLOWS.

END AND ACK

WA 9-11 AM OK FBI WA HFL

TU DIS

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NOT RECORDED

16 JAN 8 1962

FBI

Spec. Inv.

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II 432859

BY COURIER SERVICE

SEE REVERSE SIDE FOR
ADD. DISSEMINATION.

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REC'D-READING ROOM
FBI
10 44 33
✓

The enclosed summary memorandum covers Mr. McCone's activities since June, 1958. It is noted that previous applicant-type investigations were conducted by this Bureau concerning Mr. McCone in 1948, 1950, 1954 and 1958. Summary* memoranda containing the results of those investigations were furnished to you on October 25, 1961.

It is noted that newspaper articles have indicated that some scientists were furious when Mr. McCone was named Director of the Central Intelligence Agency. These scientists were not interviewed. It is also noted that Mr. Robert E. Wilson, Commissioner, United States Atomic Energy Commission, Washington, D. C., whose comments are contained on page six of the enclosed summary memorandum, stated that some scientists have made adverse comments concerning Mr. McCone because they believe the United States should not conduct nuclear tests, whereas Mr. McCone has been in favor of such tests.

Several individuals who may be acquainted with McCone have been unavailable for interview. When they are interviewed, you will be advised.

14. Dates summary memoranda were 5/5/54, 6/12/58, 6/24/58, and

Admiral Arthur Radford, Admiral H. G. Rickover, Charles C. Tunningham, Roswell H. Gilpatric.

WHB:nam;11b
- 6
DECLASSIFIED-See cover memo Cleveland to Evans dated 11/2/61, WHB:nam.

MAIL ROOM

TELETYPE UNIT

Honorable P. Kenneth O'Donnell

Information has been received from four govern- ***
mental agencies indicating that the checks of their files
concerning Mr. McCone have not been completed. When these
checks have been completed, you will be advised.

The investigation of Mr. McCone covered inquiries
as to his character, loyalty, general standing and ability,
but no inquiries were made as to the sources of his income.

Sincerely yours,

J. EDGAR HOOVER

Enclosure

*** Passport Office, Dept. of State; U. S. Secret Service;
Internal Revenue Service; and Dept. of the Air Force.

November 2, 1961

ALL INFORMATION CONTAINED
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DATE 3-22-02 BY SP4BJA/DFW

432859

JOHN ALEX MC CONE

The information set out hereinafter covers
Mr. McCone's activities since June, 1958.

Residence

DOB 1-4-02 SAN FRANCISCO, CALIF.

Mr. and Mrs. McCone presently reside at 3025
Whitehaven Street, Northwest, Washington, D. C.

Employment

Mr. McCone served as Chairman of the United States
Atomic Energy Commission in Washington, D. C., from July 14,
1958, until his resignation on January 20, 1961.

He returned to Los Angeles, California, in February,
1961, at which time he was elected President of Panama Pacific
Tankers Corporation, and Chairman of the Board of Directors of
Joshua Hendy Corporation, both of Los Angeles, California.

In addition, Mr. McCone is a member of the Board of
Directors of Standard Oil Company of California, San Francisco,
California; Trans World Airlines, Los Angeles, California;
Western Bancorporation (formerly known as First America
Corporation), Los Angeles, California; First Western Bank and
Trust Company, Los Angeles, California; and Pacific Mutual Life
Insurance Company, Los Angeles, California.

Officials of the above firms have advised that
Mr. McCone has submitted a letter of resignation to these
firms to become effective upon the assumption of his duties
as Director of the Central Intelligence Agency.

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

WHB:nam

MAIL ROOM ☐ TELETYPE UNIT ☐

ENCLOSURE

John Alex McCone

Records of the United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone has been engaged as a consultant to the Commission, on a per diem basis, when actually employed, since January 21, 1961.

Interviews

The following individuals have advised that they consider Mr. McCone a loyal citizen, whose character, reputation and associates are above reproach. They highly recommended Mr. McCone for a position of trust and confidence with the United States Government:

William C. Ryan, President, Joshua Hendy Corporation, and Vice President of Panama Pacific Tankers Corporation, both of Los Angeles, California. Mr. Ryan said that Mr. McCone is a devoted public servant of the highest integrity, whose administrative ability is outstanding.

Asa V. Call, Chairman, Board of Directors, Pacific Mutual Life Insurance Company, Los Angeles, California. Mr. Call stated that Mr. McCone is an extremely satisfactory administrator of the highest reliability and integrity.

Herbert H. G. Nash, Secretary, Board of Trustees, California Institute of Technology, Pasadena, California. Mr. Nash noted that Mr. McCone served as a member of the Board of Trustees of the California Institute of Technology from 1946 until 1958.

Frank L. King, President, Western Bancorporation, Los Angeles, California.

Howard Hanson, Secretary, First Western Bank and Trust Company, Los Angeles, California. Mr. Hanson stated that he has been very impressed by Mr. McCone's ability and wide knowledge in various fields of business.

John Alex McCone

His Eminence James Francis Cardinal McIntyre, Archbishop of Los Angeles, California. Cardinal McIntyre commented that Mr. McCone is a person of the highest integrity, and he feels that the United States Government is fortunate to have a man of Mr. McCone's caliber in Government service because of his honesty, loyalty and courage of convictions.

Theodore S. Petersen, President, Standard Oil Company of California, San Francisco, California.

Robert L. Clarkson, member of the Board of Directors, American Express Company, New York City. Mr. Clarkson described Mr. McCone as an energetic administrator and executive of proven ability in both business and government. He stated further that Mr. McCone is a person of the highest integrity and ethics, whose discreetness and trustworthiness are above reproach.

Morehead Patterson, Chairman, Board of Directors, American Machine and Foundry Company, New York City.

Clyde E. Weed, Chairman, Board of Directors, Anaconda Company, New York City.

Carl T. Durham, former United States Representative from the Tenth Congressional District of North Carolina, and former Vice Chairman of the Joint Congressional Committee on Atomic Energy, Chapel Hill, North Carolina. He described Mr. McCone as a capable and a deeply patriotic person who is sincere in all that he undertakes. He noted that Mr. McCone handled his affairs as Chairman of the Atomic Energy Commission in an impressive manner.

John Alex McCone

Clinton P. Anderson, United States Senator from New Mexico, Albuquerque, New Mexico, stated he has found Mr. McCone to be a very honest and capable person. He said that Mr. McCone is a serious and upright person, who willingly accepts his responsibilities to the Government.

Chet Holifield, United States Representative from California, Montebello, California, Chairman of the Joint Congressional Committee on Atomic Energy, stated there is no question whatsoever concerning Mr. McCone's ability, integrity and devotion to duty. He said he has the highest opinion of Mr. McCone's ability to properly administrate the Central Intelligence Agency.

Henry M. Jackson, United States Senator from Washington, Seattle, Washington. Mr. Jackson said that Mr. McCone is an excellent but hard and tough administrator. He stated that Mr. McCone is very personable and is a very good man for sensitive-type work. Mr. McCone, he stated, has the character and integrity needed to head the Central Intelligence Agency.

Jack Westland, United States Representative from Washington, Everett, Washington, stated that Mr. McCone is an excellent administrator, who has the respect of "both sides of the aisle on Capitol Hill."

Bourke B. Hickenlooper, United States Senator from Iowa, Des Moines, Iowa, said he considers Mr. McCone "tops" in ability, integrity, moral character and personal habits.

Clair Engle, United States Senator from California, Los Angeles, California, characterized Mr. McCone as a most able, patriotic and responsible person, who

John Alex McCone

possesses a great amount of drive and integrity.

Charles Melvin Price, United States Representative from Illinois, East St. Louis, Illinois, commented that Mr. McCone is truly "one of the outstanding men in the country."

Wallace F. Bennett, United States Senator from Utah, Salt Lake City, Utah, described Mr. McCone as a brilliant person, who is fair in all his dealings. He said Mr. McCone is above reproach in his personal life. Mr. McCone, he stated, is outstanding in his executive and administrative ability and is a truthful, dependable and tireless worker.

William H. Bates, United States Representative from Massachusetts, Salem, Massachusetts.

John O. Pastore, United States Senator from Rhode Island, Providence, Rhode Island.

Thomas H. Kuchel, United States Senator from California, Anaheim, California.

Craig Hosmer, United States Representative from California, Long Beach, California.

George D. Aiken, United States Senator from Vermont, Putney, Vermont.

Henry C. Dworshak, United States Senator from Idaho, Boise, Idaho, stated he has the greatest respect for Mr. McCone as an administrator, a leader and a man. Mr. McCone, he said, is tactful and has demonstrated his ability to get along well and guide the political factions of

John Alex McCone

the Joint Congressional Committee on Atomic Energy.

Albert Thomas, United States Representative from Texas, Washington, D. C.

Richard B. Russell, United States Senator from Georgia, Washington, D. C.

Loren K. Olson, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as the most intelligent man he has ever met. He said Mr. McCone is honest, forthright and outstanding in every way.

John S. Graham, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as a "two-fisted" dynamic person of high moral and religious convictions. He stated Mr. McCone has a strong desire to do a good job, and he demands that people working under his supervision also do a good job.

Robert E. Wilson, Commissioner, United States Atomic Energy Commission, Washington, D. C., stated that the only adverse comments he has heard concerning Mr. McCone have originated from a certain segment of those in the scientific field. Some scientists, he said, believe that the United States should not conduct nuclear tests at any cost, whereas Mr. McCone has been in favor of such tests. He commented that this criticism of Mr. McCone should in no way reflect adversely upon him.

Seven other persons, who have had a business association with Mr. McCone, commented favorably concerning him, and they recommended him for a position of trust and confidence.

John Alex McCone

Close Relatives

In addition to his wife, Mr. McCone has the following close relatives:

Sister, Mrs. Donald C. (Mary Louise) Shelby,
Los Angeles, California;

Sister, Mrs. J. W. (Margaret) Aicher,
Pasadena, California;

Sister, Miss Alicia J. McCone, Arlington,
California.

Credit and Arrest Checks

Information has been received from the appropriate credit reporting agencies and law enforcement agencies indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone or his close relatives.

Security Clearance

The files of the Washington Area Security Office, United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone was granted a "Q" clearance on June 19, 1950. This clearance was terminated on October 5, 1953. The "Q" clearance was reinstated on June 8, 1958, and is presently active. No additional pertinent information is contained in the above files.

Agency Checks

Information has been received from the Bureau of Personnel Investigations, Civil Service Commission; House Committee on Un-American Activities; and the Central Intelligence Agency indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone.

The central files of the Federal Bureau of Investigation contain no additional pertinent information concerning Mr. McCone.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

WASHINGTON 25, D. C.

November 2, 1961

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-82 BY SP4 BJA/DFW
II432859

JOHN ALEX MC CONE

The information set out hereinafter covers
Mr. McCone's activities since June, 1958.

Residence

Mr. and Mrs. McCone presently reside at 3025
Whitehaven Street, Northwest, Washington, D. C.

Employment

Mr. McCone served as Chairman of the United States
Atomic Energy Commission in Washington, D. C., from July 14,
1958, until his resignation on January 20, 1961.

He returned to Los Angeles, California, in February,
1961, at which time he was elected President of Panama Pacific
Tankers Corporation, and Chairman of the Board of Directors of
Joshua Hendy Corporation, both of Los Angeles, California.

In addition, Mr. McCone is a member of the Board of
Directors of Standard Oil Company of California, San Francisco,
California; Trans World Airlines, Los Angeles, California;
Western Bancorporation (formerly known as First America
Corporation), Los Angeles, California; First Western Bank and
Trust Company, Los Angeles, California; and Pacific Mutual Life
Insurance Company, Los Angeles, California.

Officials of the above firms have advised that
Mr. McCone has submitted a letter of resignation to these
firms to become effective upon the assumption of his duties
as Director of the Central Intelligence Agency.

John Alex McCone

Records of the United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone has been engaged as a consultant to the Commission, on a per diem basis, when actually employed, since January 21, 1961.

Interviews

The following individuals have advised that they consider Mr. McCone a loyal citizen, whose character, reputation and associates are above reproach. They highly recommended Mr. McCone for a position of trust and confidence with the United States Government:

William C. Ryan, President, Joshua Hendy Corporation, and Vice President of Panama Pacific Tankers Corporation, both of Los Angeles, California. Mr. Ryan said that Mr. McCone is a devoted public servant of the highest integrity, whose administrative ability is outstanding.

Asa V. Call, Chairman, Board of Directors, Pacific Mutual Life Insurance Company, Los Angeles, California. Mr. Call stated that Mr. McCone is an extremely satisfactory administrator of the highest reliability and integrity.

Herbert H. G. Nash, Secretary, Board of Trustees, California Institute of Technology, Pasadena, California. Mr. Nash noted that Mr. McCone served as a member of the Board of Trustees of the California Institute of Technology from 1946 until 1958.

Frank L. King, President, Western Bancorporation, Los Angeles, California.

Howard Hanson, Secretary, First Western Bank and Trust Company, Los Angeles, California. Mr. Hanson stated that he has been very impressed by Mr. McCone's ability and wide knowledge in various fields of business.

John Alex McCone

His Eminence James Francis Cardinal McIntyre, Archbishop of Los Angeles, California. Cardinal McIntyre commented that Mr. McCone is a person of the highest integrity, and he feels that the United States Government is fortunate to have a man of Mr. McCone's caliber in Government service because of his honesty, loyalty and courage of convictions.

Theodore S. Petersen, President, Standard Oil Company of California, San Francisco, California.

Robert L. Clarkson, member of the Board of Directors, American Express Company, New York City. Mr. Clarkson described Mr. McCone as an energetic administrator and executive of proven ability in both business and government. He stated further that Mr. McCone is a person of the highest integrity and ethics, whose discreetness and trustworthiness are above reproach.

Morehead Patterson, Chairman, Board of Directors, American Machine and Foundry Company, New York City.

Clyde E. Weed, Chairman, Board of Directors, Anaconda Company, New York City.

Carl T. Durham, former United States Representative from the Tenth Congressional District of North Carolina, and former Vice Chairman of the Joint Congressional Committee on Atomic Energy, Chapel Hill, North Carolina. He described Mr. McCone as a capable and a deeply patriotic person who is sincere in all that he undertakes. He noted that Mr. McCone handled his affairs as Chairman of the Atomic Energy Commission in an impressive manner.

John Alex McCone

Clinton P. Anderson, United States Senator from New Mexico, Albuquerque, New Mexico, stated he has found Mr. McCone to be a very honest and capable person. He said that Mr. McCone is a serious and upright person, who willingly accepts his responsibilities to the Government.

Chet Holifield, United States Representative from California, Montebello, California, Chairman of the Joint Congressional Committee on Atomic Energy, stated there is no question whatsoever concerning Mr. McCone's ability, integrity and devotion to duty. He said he has the highest opinion of Mr. McCone's ability to properly administrate the Central Intelligence Agency.

Henry M. Jackson, United States Senator from Washington, Seattle, Washington. Mr. Jackson said that Mr. McCone is an excellent but hard and tough administrator. He stated that Mr. McCone is very personable and is a very good man for sensitive-type work. Mr. McCone, he stated, has the character and integrity needed to head the Central Intelligence Agency.

Jack Westland, United States Representative from Washington, Everett, Washington, stated that Mr. McCone is an excellent administrator, who has the respect of "both sides of the aisle on Capitol Hill."

Bourke B. Hickenlooper, United States Senator from Iowa, Des Moines, Iowa, said he considers Mr. McCone "tops" in ability, integrity, moral character and personal habits.

Clair Engle, United States Senator from California, Los Angeles, California, characterized Mr. McCone as a most able, patriotic and responsible person, who

John Alex McCone

possesses a great amount of drive and integrity.

Charles Melvin Price, United States Representative from Illinois, East St. Louis, Illinois, commented that Mr. McCone is truly "one of the outstanding men in the country."

Wallace F. Bennett, United States Senator from Utah, Salt Lake City, Utah, described Mr. McCone as a brilliant person, who is fair in all his dealings. He said Mr. McCone is above reproach in his personal life. Mr. McCone, he stated, is outstanding in his executive and administrative ability and is a truthful, dependable and tireless worker.

William H. Bates, United States Representative from Massachusetts, Salem, Massachusetts.

John O. Pastore, United States Senator from Rhode Island, Providence, Rhode Island.

Thomas H. Kuchel, United States Senator from California, Anaheim, California.

Craig Hosmer, United States Representative from California, Long Beach, California.

George D. Aiken, United States Senator from Vermont, Putney, Vermont.

Henry C. Dworshak, United States Senator from Idaho, Boise, Idaho, stated he has the greatest respect for Mr. McCone as an administrator, a leader and a man. Mr. McCone, he said, is tactful and has demonstrated his ability to get along well and guide the political factions of

John Alex McCone

the Joint Congressional Committee on Atomic Energy.

Albert Thomas, United States Representative from Texas, Washington, D. C.

Richard B. Russell, United States Senator from Georgia, Washington, D. C.

Loren K. Olson, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as the most intelligent man he has ever met. He said Mr. McCone is honest, forthright and outstanding in every way.

John S. Graham, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as a "two-fisted" dynamic person of high moral and religious convictions. He stated Mr. McCone has a strong desire to do a good job, and he demands that people working under his supervision also do a good job.

Robert E. Wilson, Commissioner, United States Atomic Energy Commission, Washington, D. C., stated that the only adverse comments he has heard concerning Mr. McCone have originated from a certain segment of those in the scientific field. Some scientists, he said, believe that the United States should not conduct nuclear tests at any cost, whereas Mr. McCone has been in favor of such tests. He commented that this criticism of Mr. McCone should in no way reflect adversely upon him.

Seven other persons, who have had a business association with Mr. McCone, commented favorably concerning him, and they recommended him for a position of trust and confidence.

John Alex McCone

Close Relatives

In addition to his wife, Mr. McCone has the following close relatives:

Sister, Mrs. Donald C. (Mary Louise) Shelby,
Los Angeles, California;

Sister, Mrs. J. W. (Margaret) Aicher,
Pasadena, California;

Sister, Miss Alicia J. McCone, Arlington,
California.

Credit and Arrest Checks

Information has been received from the appropriate credit reporting agencies and law enforcement agencies indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone or his close relatives.

Security Clearance

The files of the Washington Area Security Office, United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone was granted a "Q" clearance on June 19, 1950. This clearance was terminated on October 5, 1953. The "Q" clearance was reinstated on June 8, 1958, and is presently active. No additional pertinent information is contained in the above files.

Agency Checks

Information has been received from the Bureau of Personnel Investigations, Civil Service Commission; House Committee on Un-American Activities; and the Central Intelligence Agency indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone.

The central files of the Federal Bureau of Investigation contain no additional pertinent information concerning Mr. McCone.

F B I

Date: 11/3/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669) - P

JOHN ALEX MC CONE
SPECIAL INQUIRY

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DW

IL 432859

ReWFOairtel, 11/1/61.

Enclosed for the Bureau are the original and one copy of the Internal Revenue report received by SA ROBERT J. PERRY on 11/3/61.

The files of the U. S. Secret Service, U. S. Treasury Department, as caused to be searched by SA MAURICE F. DONEGAN on 11/1/61, revealed no record for the appointee.

Will report results of interview with Admiral H. G. RICKOVER. Check of records at OSI and State Passport outstanding.

- ③ - Bureau (Encs. 2)
1 - WFO

FTH:djt
(4)AIRTEL

2 ENCLOSURE

161-1709-52

NOT RECORDED

16 JAN 8 1962

Spec. Inv.

2-cc destroyed 11-27-61 W4B/bjs

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN BUREAU	DATE 11/3/61	INVESTIGATIVE PERIOD 11/2/- 3/61
TITLE OF CASE JOHN ALEX MC CONE		REPORT MADE BY JAMES P. BENEDICT	TYPED BY rg
		CHARACTER OF CASE SPECIAL INQUIRY	

REFERENCE:

Washington Field teletype to the Bureau 11/1/61.

- RUC -

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-82 BY SP4BJA/DFW
#432859

- A* -
COVER PAGE

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 1 - Bureau (AM) 1 - Los Angeles (161-385)		161-1709-53	
		NOT RECORDED 13 NOV 6 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS <i>[Signature]</i>	
AGENCY			
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: JAMES P. BENEDICT
Date: November 3, 1961

Office: Los Angeles, California

Field Office File No.: 161-385

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

NOV 13 1961
FBI - LOS ANGELES
#432859 SP4BJA/DFW

Synopsis:

TERRANCE M. LEE, aid to MC CONE, commented favorably concerning associates, reputation, character, integrity, and ability.

- RUC -

DETAILS:

On November 3, 1961, TERRANCE M. LEE, aid to Mr. MC CONE, Joshua Hendy Corporation, 612 South Flower Street, Los Angeles, California, advised that Mr. MC CONE and his wife are currently residing in Washington D. C., and to the best of his knowledge, will assume the directorship of the Central Intelligence Agency approximately November 14, or 15, 1961. Mr. LEE stated that subsequent to leaving his duties with Atomic Energy Commission, Mr. MC CONE associated himself only with the Panama Pacific Tankers Corporation, and the Joshua Hendy Corporation, and accepted positions on the boards of directors for the Standard Oil Company of California, at San Francisco, California; the Trans World Airlines; Western Bancorporation; the First Western Bank and Trust Company and the Pacific Mutual Life Insurance Company of Los Angeles. He stated that Mr. MC CONE has submitted his resignation to each of the above corporations, to become effective prior to, or on the date of the assumption of his duties with the Central Intelligence Agency.

LA 161-385

Mr. LEE stated that he has been associated with Mr. MC CONE for more than 20 years and he has found him to be a person of the highest integrity, unquestioned character and reputation, a loyal United States citizen, and a man who chooses his associates wisely. LEE stated that Mr. MC CONE is possessed with an enormous amount of executive and administrative ability, and he would recommend him most highly to any position of trust involving the security of the United States.

F B I

Date: 11/7/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669) (RUC)

JOHN ALEX MC CONE
SPI

Re WFOairtel 11/7/61.

The files of the Office of Special Investigations, United States Department of the Air Force as caused to be searched by IC JAMES D. BARNHARDT on 11/7/61, reflect no additional pertinent information concerning the appointee. Check of records at Passport Office outstanding.

3-Bureau
1-WFO

FTH:sro
(4)

AIRTEL

161-1709-54
NOT RECORDED
16 JAN 8 1962

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
II432859

Spec. Inv.

Approved: rmw Sent _____ M Per _____
Special Agent in Charge

1-cc destroyed 11-27-61 WHP/JSB

F B I

Date: 11/7/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669) (P)

JOHN ALEX MC CONE
SPI

ReWFOairtel 11/3/61.

On 11/3/61, Vice Admiral HYMAN G. RICKOVER, Head of the Navy Reactor Branch, advised SA CHARLES M. BEALL, JR., he has known the employee professionally and socially for the past four to five years. Admiral RICKOVER advised that the employee is an excellent executive and administrator. He vouched for MC CONE's character, associates, reputation and loyalty. Admiral RICKOVER recommended the employee for a position of trust and confidence.

WFO will report results of outstanding records at OSI and State Passport.

3-Bureau
1-WFO
FTH:mcw
(4)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

AIRTEL

161-1709-55
NOT RECORDED
12 NOV 7 1961

Approved: MW JFW

Special Agent in Charge

Sent _____ M Per _____

2-cc destroyed 11-27-81 WFO/DFW

*1766 ACOW
6-18-71
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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
#432859

November 17, 1961

BY COURIER SERVICE

Nov 17 1 27 PM '61
REC'D-READING ROOM
FBI

Honorable P. Kenneth O'Donnell
Special Assistant to the President
The White House
Washington, D. C.

My dear Mr. O'Donnell:

Reference is made to my letter dated November 2, 1961, which furnished you a summary memorandum containing the results of an investigation concerning Mr. John Alex McCone.

Information has now been received from the Office of Special Investigations, Department of the Air Force, indicating that its files contain no pertinent information concerning Mr. McCone. Information was also received from the United States Secret Service indicating it has no record of Mr. McCone.

The records of the Passport Office, Department of State, show that since October 27, 1958, Mr. McCone has been issued two passports for travel to Europe on official business of the United States Government.

b3 per IRS

Tolson
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Ingram
Gandy

WHB:nam
(6)

67 FEB 21 1962

TELETYPE UNIT

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1962

161-1709-5672
GWS

Honorable P. Kenneth O'Donnell

b3 per IRS

The following individuals, who have known Mr. McCone on a social and professional basis from four to twenty years, described him as an excellent administrator and executive, whose character, reputation, associates and loyalty are above reproach. They recommended Mr. McCone for a position of trust and confidence:

Arthur W. Radford, Admiral, United States Navy, retired, Washington, D. C.;

Hyman G. Rickover, Vice Admiral, United States Navy, Washington, D. C.;

Roswell L. Gilpatric, Deputy Secretary of Defense, Department of Defense, Washington, D. C.;

Glenn T. Seaborg, Chairman, United States Atomic Energy Commission, Washington, D. C.;

Charles C. Tillinghast, Jr., President, Trans World Airlines, New York City;

Ralph G. Follis, Chairman, Board of Directors, Standard Oil Company of California, New York City; and

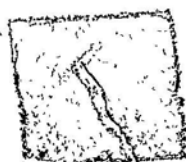
Terrance M. Lee, aide to Mr. McCone.

Eugene J. McCarthy, United States Senator from Minnesota, Washington, D. C., advised that he is not personally acquainted with Mr. McCone.

This concludes the investigation in this case.

Sincerely yours,

J. EDGAR HOOVER





CCCCA Friday, January 12, 1962
THE SAN FRANCISCO CHRONICLE

Merry-Go-Round

PAGE 35

How McCone Got His Start in Business



Drew Pearson

PRESIDENT KENNEDY has picked some A-1 men for high office—some of the best in the past two decades. But the President must have had his mind on the Berlin crisis when he picked John A. McCone to head the Central Intelligence Agency.

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequalled by any other man now in Government. Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the Government had put up almost all the capital for their California Shipbuilding Co., of which McCone was president. It netted around a \$44 million profit.

"What was the total cost to the Government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25 million," replied McCone. "How much of the moneys of your corporation were invested in the physical yard?"

"Very little," replied the president of the company.

"With material supplied by the Government, with labor paid for by the Government, with interest on borrowed capital paid for by the Government, with management salaries paid for by the Government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The committee also developed the fact that the Government had turned over to McCone, Kaiser et al, all of the Government's materials, machinery, and other

facilities located at the shipyard estimated as worth about \$12 million.

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the Government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," McCone said.

"Did you receive in addition \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

Representative Alvin Welch, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4 million in nonreimbursable expenses.

Summarizing the facts, McCone's fellow Republican Congressman Welch said: "The total number of ships you built was 467. The plant cost the Government \$25 million. There was \$14 million worth of property there when it was finished and you got \$2.5 million credit. That is roughly \$41 million."

Welch concluded: "Altogether your company got \$31 million for building 467 ships. Roughly, without the deduction of taxes, it cost the Government nearly \$200,000 in fees for each ship built by your company."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big Government jobs and more profits in business.

(Copyright, 1962)

161-1709-57

...CLOSURE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DW
II 432859

Mr. J. Edgar Hoover, F.B.I.
Washington, D.C.

24. Blade Way
Walnut Creek, Calif.
January 12, 1962

Dear Sir:

Let me state first that I am not, have never been, nor will I ever be a member of the Communist Party.

Several times recently I have noticed news articles relating to your work in rounding up or checking on certain known Communists. You are certainly to be commended in your efforts in this regard. However, it would seem to me that greater efforts should and could be made in holding down the "converts" to Communism here in the United States. I refer to the enclosed Drew Pearson article in the SAN FRANCISCO CHRONICLE, dated January 12, 1962. Previous articles appeared on Jan. 10th and 11th, also dealing with John A. McCone by Mr. Pearson. I have an A.B. degree in Education - Arizona State U., Tempe, 1933, so I do not consider myself the "dumb slob" some people refer to when describing the American Voters! I feel qualified to judge and interpret what I read in the papers or hear on radio and TV. When articles such as this are printed in a metropolitan newspaper there is bound to be a growing resentment by the readers against a government which not only condones but encourages such practices. For this article is but one of many released by Mr. Pearson. Very few have been challenged, in spite of what my good friend, the Hon. John F. Baldwin, House of Reps., says. I have called his attention to some of them, even suggesting that Congress enact a law making the death sentence mandatory in all such cases where they are proven guilty. (I just saw an article this week where some former General in Korea was sentenced to death because of malfeasance in office). Mr. Baldwin did not think such a law would have a chance to be passed, thereby in a sense intimating that members of Congress might themselves be involved in such a case at some future date. (I am sending him a copy of this, just to let him know I am getting around again after a serious heart attack on August 29, 1961. No more C. of C., however, John.)

Even when they are found guilty these politicians and "big shots" are not given the deserved punishment, thereby adding fuel to the Communist fire. They are allowed to resign, sometimes on a fat pension. And the "dumb slob" is supposed to go right on being a dumb slob. Don't you see what this is doing to the American Public, Mr. Hoover? Our government is not just kindling the fires of Communism but is adding very inflammable fuel to it. The taxpayers are reaching the breaking point. They feel that the saying to that old song should be revised: "... The rich get Richer and the Poor get 66 --- On", and I'm sure you get my botched up meaning.

It has been stated - and not just by Republicans - that the Kennedy clan Six Million dollars to put him in the White House. No most business people who are successful (and the Kennedys are all acknowledged successful business people) expect a commensurate return on their investments. Just how do they plan to recoup 6 Millions Plus the untold millions "donated" by cronies?

I started being a good Democrat back in 1928 but now I wonder???
(Does this letter warrant an answer from either of you?)

G.C. John F. Baldwin

Respectfully yours,

C.R. Johnston
ARIZ

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HEREIN IS UNCLASSIFIED
DATE 3-23-82 BY SP4 BJA/DFW

7432859

No action required
See Jones to 4/11/62
Memo 3/23/66
63-0-33933398
1-18-62
ENCLOSURE

50 JAN 26 1962

ARIZ

CORRESPONDENCE

161-1709-58

January 22, 1962

Mrs. Mary J. ~~Fulton~~
7239 Second Avenue North
St. Petersburg 10, Florida

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

Dear Mrs. Fulton:

I have received your letter of January 13, 1962, with enclosure, and the interest which prompted you to communicate with me is appreciated.

In response to your inquiry, I must advise you that the allegations about the FBI contained in the newspaper column written by Drew Pearson are completely without foundation.

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover
Director

NOTE: Correspondent is not identifiable in Bufiles. In a memorandum of 1-17-62 from Mr. Cleveland to Assistant Director Evans, Drew Pearson's column was analyzed and it was noted his allegations regarding the FBI are completely without foundation.

BS:pdh
(3)

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

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JAN 22 1962
RECEIVED COMM-FBI

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REC'D-READING ROOM

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MERRY-GO-ROUND

Was FBI Asleep When McCone Got Nod?

By DREW PEARSON

WASHINGTON — President Kennedy has picked some A-1 men for high office — some of the best in the past two decades. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency which has a vital influence over American foreign policy.

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequalled by any other man now in government. The record is all spelled out in congressional hearings, and it would have been easy for the FBI to have read it.

CROSS-EXAMINED regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California Shipbuilding Co., of which McCone was president. It netted around a \$44 million profit.

"What was the total cost to the government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25 million," replied McCone.

"How much of the monies of your corporation were invested in the physical yard?"

"VERY LITTLE, very little," replied McCone.

"Were there any profits to subcontractors?"

"Oh yes, there must have been."

"Did any of the executive receive management salaries that were reimbursable by the commission?"

"The executives were reimbursed in a manner agreed to by the commission."

"And that was with government funds?" McCone was asked.

"That is correct."

"WITH MATERIAL supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the government had turned over to McCone, Kaiser et al, all of the government's materials, machinery and other facilities located at the shipyard estimated as worth about \$14 million.

"THE GOVERNMENT put in \$25 million to the building of this yard," counsel Coles asked. "At the time of the completion of the contract was there any government-owned shipbuilding material in California Shipbuilding Co's yards?"

"There was," was McCone's laconic reply.

Coles asked if the value of \$14 million was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's alibi.

"DID YOU RECEIVE in addition to this yard that had cost \$25 million and this material which may have cost \$14 million, an additional sum of \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

"So in effect you got an additional \$2.5 million, did you?"

"You might put it that way," finally admitted the president of the shipping company.

*for McCone
see 161-1709*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

141-1709-58

ENCLOSURE

St. Petersburg Times
January 12, 1962
St. Petersburg, Florida

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Mr. Ingram	✓
Miss Gandy	✓

fb 7-1

Jan. 13-1962

Dear Mr. Hoover,
 If the enclosed article is correct,
 then W H Y ? *John A. Mc CONE*

nr
 Mrs. Mary J. Fulton
 7239 Second Ave. No.
 St. Petersburg 10,
 Florida.

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EX-104

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

TO : Mr. Evans *3/6* DATE: 1/16/62FROM : W. V. Cleveland *WVC*

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 DATE 3-22-02 BY SP4 BJA/DFW
 # 432859

SUBJECT: JOHN ALEX MC CONE
 SPECIAL INQUIRY - WHITE HOUSE

Applicant-type investigations were conducted concerning Mr. McCone in 1947-1948, 1950-1951, 1954 and 1958. In 1958 at the request of the Eisenhower Administration, we conducted an applicant investigation of McCone who was being considered as the Chairman of the Atomic Energy Commission. In October, 1961, the Kennedy Administration requested that the investigation of McCone be brought up to date.

During the 1958 investigation, information was developed that McCone when Under Secretary of the Air Force was alleged to have shown favoritism or personal interests in awarding a \$190,000,000 aircraft contract in 1951 to the Kaiser-Frazer Corporation. The allegation was refuted by prominent individuals in possession of knowledge concerning same. Allegations that McCone was involved in the illegal or unethical purchase of surplus vessels from the U.S. Government were also refuted during the investigation by individuals, including officials of the U.S. Maritime Commission.

During the 1958 investigation Mr. McCone was interviewed concerning his business activities. Records of U.S. Maritime Commission were also reviewed and no information was obtained indicating illegal or unethical business practices on the part of Mr. McCone were developed. It is to be noted his business practices were also discussed with him at the hearing when he was confirmed as Chairman of the Atomic Energy Commission in July, 1958.

The results of our previous investigations were summarized in memoranda dated May 5, 1954; June 12, 1958; June 24, 1958; and June 30, 1958, a copy of each was furnished to the White House on October 25, 1961. *mf*

By letter dated November 2, 1961, a summary memorandum covering McCone's activities since 1958 was furnished to the Kennedy Administration.

No derogatory information was developed during the 1961 investigation concerning McCone, and he was described as a person of outstanding ability, a natural leader and an excellent organizer and administrator.

Attachments

1 - Mr. DeLoach

WHB:llb/crl

- 6 -

67 FEB 21 1962

EX-105 DEC-48 161-1709-59

7 FEB 21 1962

Memo Cleveland to Evans
RE: JOHN ALEX MC CONE

One Ralph P. Flegal, San Francisco, California, a former employee in one of McCone's business enterprises, alleged that during World War II McCone in his business practices made excessive profits bordering on profiteering. Flegal was confined in a mental hospital in California from 1954 to 1960 and as of November, 1961, he was on leave at home from the hospital but was under continuous supervision. This information was not included in either the transmittal letter or summary memorandum furnished to the White House.

By letter dated January 13, 1962, received January 15, 1962, Herbert H. Seidler, Santa Barbara, California, advised that a local Santa Barbara paper contained a syndicated column of Drew Pearson's of previous date captioned "FBI Overlooks McCone's Gravy," wherein Pearson questioned the awareness of the FBI in connection with the past history of McCone.

ACTION

Mr. DeLoach's Office is obtaining a copy of Pearson's article. When it is obtained, it will be analyzed, and you will be advised. Mr. Seidler's letter is being acknowledged.

Summary memoranda together with the report of SA Vincent W. Hughes dated at Los Angeles, 6-18-58 containing the interview with Mr. McCone are attached.

EDP *V.* *WPH* *CIS*

*Attached is the article.
Analyze it & see if we
included in our reports the
documentation given.*

*Memo Cleveland to
Evans 1-17-62
WPH*



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

WASHINGTON 25, D. C.

June 30, 1958

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DATE 3-22-02 BY SP4BJA/DFW

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JOHN ALEX McCONE

Information set forth hereinafter reflects the results of additional inquiries made by this Bureau concerning Mr. McCone.

Mr. Thomas K. Finletter, attorney, Coudert Brothers, New York City, advised that he was the chairman of former President Truman's Air Policy Commission on which Mr. McCone served as a member from approximately 1947 to 1948. He further stated that he was Secretary of the United States Air Force when Mr. McCone was Under Secretary from 1950 to 1951. Mr. Finletter stated that he considered Mr. McCone to be a man of exceptional mental and administrative ability and of the very highest personal integrity. He stated that in his opinion Mr. McCone is a loyal American citizen of excellent character, associates and reputation and he highly recommended him for a position of trust.

Mr. Finletter continued by stating he recalled a meeting which took place in former President Truman's office in approximately 1950, at which time he, the President and Mr. McCone were present. He stated that at this meeting Mr. McCone agreed to accept an appointment as Under Secretary of the United States Air Force with the stipulation that it would be for one year only. Mr. Finletter said that this stipulation on the part of Mr. McCone resulted from the fact that Mr. McCone was engaged in many business activities at the time and was reluctant to neglect them for a longer period.

Mr. John J. McLaughlin, Administrative Assistant to the Secretary of the Air Force, exhibited Mr. McCone's letter of resignation as Under Secretary of the Air Force.

This letter, which is retained in Mr. McCone's personnel file, is directed to the President and is dated October 5, 1951.

NOTE UNDER-
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PAGE 11.

161-1709-60
ENCLOSURE

JOHN ALEX McCONE

Mr. McCone in his letter of resignation, stated that when he accepted his position, he did so with the "idea" that he would serve for a period of one year and that this period "has extended a year and a half."

He further stated in the above-mentioned letter that he desired to leave the Air Force "to return to private life."

Mr. Thomas Coggeshall, chairman, Renegotiations Board, Washington, D. C., advised that he was formerly with the old Air Force Renegotiations Board during the time Mr. McCone was Under Secretary of the Air Force. Mr. Coggeshall stated that in this capacity he became professionally acquainted with Mr. McCone. Mr. Coggeshall stated that he found Mr. McCone to be a capable and energetic Government official. Mr. Coggeshall advised that Mr. McCone was a sound businessman and discharged his duties as a Government official in a vigorous manner "representing the Government's position" at all times.

Mr. Coggeshall stated he is aware that Mr. McCone has been recently nominated to be a member of the Atomic Energy Commission (AEC) and stated that he is personally "delighted" to see such a sound appointment because of Mr. McCone's excellent record in both Government and private business.

Mr. Coggeshall stated that the Bechtel-McCone-Parsons Corporation and the Bechtel-McCone Corporation have had matters before the Renegotiations Board. Mr. Coggeshall explained that this is no reflection upon either of these corporations or Mr. McCone because it is the intended purpose of the board to examine contracts with the idea of "equitable renegotiation in the light of some unseen subsequent event." Mr. Coggeshall stated that it was his recollection that these corporations "never caused the slightest bit of trouble" and "there was an agreement of settlement between the Government and these organizations" in which they agreed to pay refunds to the Government. Mr. Coggeshall stated that Mr. McCone personally was not connected with any of these renegotiation matters.

Mr. Coggeshall, after stating the above, recalled that while he, Mr. Coggeshall, was connected with the Air Force Renegotiations Board, Mr. McCone called him to his office and

JOHN ALEX McCONE

instructed him to make a survey of Air Force contracts with private interests paying particular attention to the possibility of renegotiating contracts "to prevent private concerns from getting windfall profits." Mr. Coggeshall stated that Mr. McCone was vitally aware that the Government lets many contracts and that it was possible that firms could "take the Government." Mr. Coggeshall stated that, in his opinion, Mr. McCone's background in private business made him aware of that possibility and Mr. McCone had the taxpayers' interests in mind at all times.

A review of the United States Maritime Commission's ship file for the vessel "McKittrick Hills," T2-SE-A1, indicated that the "McKittrick Hills" was allocated for sale under the Merchant Ship Sales Act of 1946 to the Pacific Tankers, Incorporated (citizens sale). The contract was signed February 17, 1948, and title was transferred from the United States Maritime Commission to the Pacific Tankers, Incorporated, at Wilmington, Delaware, March 16, 1948, at 1:00 p.m., Eastern Standard Time.

The statutory sales price, unadjusted, amounted to \$2,026,500. The purchase price of the vessel stated in the mortgage foreclosing March 15, 1948, was \$1,652,163.43, payable \$415,363.43 cash or its equivalent on or before closing and the balance as stated in the mortgage and notes.

It is to be noted that adjustments were made for repair, dockage, insurance, depreciation, removal of national defense and war service features, leap year depreciation, et cetera.

The file contained nothing of an unfavorable nature concerning the Pacific Tankers, Incorporated, and contained no information concerning Mr. McCone.

A review of the United States Maritime Commission's ship file for the vessel "Montebello Hills," T2-SE-A1, reflected that this ship was disposed of in substantially the same manner as was the "McKittrick Hills." Nothing of an unfavorable nature was noted with reference to the Pacific Tankers, Incorporated, or Mr. McCone.

A review of the United States Maritime Commission's file captioned "Pacific Tankers, Incorporated," reflected no unfavorable information concerning this firm or Mr. McCone.

JOHN ALEX McCONE

Mr. Robert S. Pitzer, chief investigator and security officer, United States Maritime Commission, advised that a review of his files reflected no unfavorable information concerning Mr. McCone or the Pacific Tankers, Incorporated. Mr. Pitzer explained that the Pacific Tankers, Incorporated, was a bona fide established corporation engaged in ship transportation. Mr. Pitzer stated that in this capacity during the war (World War II) the firm operated for the Government (United States Maritime Commission) a number of ships as general agent and had approximately at the peak in 1946, seventy-eight vessels in service. In accordance with established procedure after the war, the Pacific Tankers, Incorporated, purchased from the Government two of the ships they formerly operated as general agent, the "McKittrick Hills" and the "Montebello Hills," which the firm used in the shipping business.

Mr. Herbert Brezil, chief, Reports and Statistics Branch, Division of Construction and Supply, United States Atomic Energy Commission, Germantown, Maryland, advised that his records are the central indices for current contracts with the AEC which total \$25,000 or more. He advised he has no record for contracts of lesser amounts. He advised in addition his records, which are for construction and architect-type contracts, go back only to 1949 and to 1952 on other types of contracts such as supply contracts and research and development contracts.

Mr. Brezil advised he has no reference in his files to Bechtel-McCone-Parsons Corporation or Bechtel-McCone Corporation.

Mr. Brezil pointed out that the AEC did not come into being until January, 1947, and that prior to that time, the related work taken over by AEC was done by the Manhattan Engineer District. When AEC came into being, existing records were taken over by AEC.

Mr. David H. Carey, assistant chief, Statistical Branch, Division of Construction and Supply, United States Atomic Energy Commission, Germantown, Maryland, advised he has no reference of any kind in his central indices of past or present contracts with the AEC with reference to the Joshua Hendy Corporation. Mr. Carey advised his office has no record of any evaluation file on the Joshua Hendy Corporation since such files are set up only on those concerns with which the AEC actually had a contract.

JOHN ALEX McCONE

It is also noted Miss Lola Jaques, contracting officer, Office of the Secretary of Defense, Washington, D. C., advised that the AEC took over the records pertaining to contracts from the Manhattan Engineer District in January, 1947, when the AEC was established. Miss Jaques advised further that these contracts would be located at the AEC in Germantown, Maryland.

As indicated previously no contracts concerning Mr. McCone or the Bechtel-McCone-Parsons Corporation or the Bechtel-McCone Corporation were located at the AEC, Germantown, Maryland.

Mr. Kenneth K. Bechtel, chairman of the board, Industrial Indemnity Company, 155 Sansome Street, San Francisco, California, who is also a director and stockholder in the Bechtel Corporation, 220 Bush Street, San Francisco, California, advised that his comments concerning Mr. McCone are necessarily based upon his best recollection of past events extending over the past twenty odd years and, without reference to specific records which would require considerable additional time, he cannot be certain of the dates and estimated figures furnished. He stated that it should be clearly understood that John McCone is a very capable and highly talented man in the construction field and it is by virtue of these talents, the trust he has derived from his business associates and his marked financial success in business which underwent phenomenal growth immediately prior to, during and subsequent to World War II, that he has attained the very favorable financial and business stature of the present date.

Mr. Bechtel advised that he has never been aware of any unethical practices, business or otherwise, by Mr. McCone but, on the contrary, Mr. Bechtel considers Mr. McCone one of the few men he has known in the business world who has never "cut corners or taken advantage to the detriment of others." He considers Mr. McCone one of the highest principled men and finest men he has ever met and one whose experience, organizational ability and leadership should assist him in becoming a real asset to the United States Government. He stated he feels that Mr. McCone will be wholly unbiased in the treatment of all matters and will consider only the best interests of the Government.

JOHN ALEX McCONE

Mr. Bechtel's first business contact with Mr. McCone was between 1931 and 1935 when the W. A. Bechtel Company and Llewellyn Ironworks or Consolidated Steel Company, with which Mr. McCone was associated, were both doing work on Boulder Dam. Mr. McCone had advanced "up the ranks" in Llewellyn Ironworks and was active in their sales organization. After Consolidated Steel Company was formed, Mr. McCone became executive vice-president and was in that position when he left to join with the Bechtels in organizing the Bechtel-McCone Corporation in 1936 or 1937.

Mr. Bechtel related that the Bechtel-McCone Corporation was organized by Kenneth K. Bechtel, W. A. Bechtel, Jr., Stephen D. Bechtel, John McCone and Hal Price. He stated that he recalls Mr. McCone had a one-third stock ownership, Stephen D. Bechtel had a one-third stock ownership, Kenneth Bechtel a one-sixth stock ownership and Hal Price a one-sixth stock ownership. Mr. Bechtel could not recall the specific interest of W. A. Bechtel, Jr., or that he had any stock investment at the time. He recalled that Mr. Price had remained a party in interest for only a short time. Mr. Bechtel stated he was certain that Mr. McCone had put up his own money as his investment in the Bechtel-McCone Corporation up to possibly \$50,000; however, the source of Mr. McCone's personal funds was not known. He recalled the original capitalization was perhaps \$100,000 to \$200,000. He stated that, prior to the organization of this company, the W. A. Bechtel Company had existed as a family interest, originally founded by W. A. Bechtel, Senior, deceased. This latter company was engaged in heavy-type construction such as bridges, dams, et cetera.

In forming the Bechtel-McCone Corporation, the purpose was to supplement the operations of the W. A. Bechtel Company, specifically in engineering and building of refineries and chemical processing plants. The main office of the Bechtel-McCone Corporation was in Los Angeles and John McCone was president or managing head of the company operations.

Mr. Bechtel advised that shortly after the Bechtel-McCone Corporation was organized, or within the first one or two years of its existence, the name was changed to the Bechtel-McCone-Parsons Corporation. The Ralph Parsons Company of Chicago, Illinois, was well known in the construction trade as a company which excelled in the technical aspects of the business and since they were anxious to expand through better sales organization methods, that company was dissolved and Ralph Parsons became a

JOHN ALEX McCONE

stockholder in the new Bechtel-McCone-Parsons Corporation with approximately ten per cent to twenty per cent ownership.

Mr. Bruce Thorne, Mr. Parsons' partner, was on the West Coast on occasion in connection with some apparent financial interest in the new company, but Mr. Bechtel stated he could not recall what, if any, specific stock ownership Mr. Thorne had in the Bechtel-McCone-Parsons Corporation. Neither was Mr. Bechtel aware of the details of Mr. Parsons' acquiring his stock ownership nor the nature of the ways he paid for his stock. He stated the name was simply changed with no change in the corporate structure and, with the new name, Mr. McCone held approximately twenty-five per cent to thirty per cent stock ownership.

Mr. Bechtel related that about 1939 or 1940, or three or four years after Mr. McCone had acquired his initial interest in the Bechtel-McCone Corporation, Mr. McCone was permitted by the Bechtel interests to purchase some stock ownership in the W. A. Bechtel Company (WABC). He stated that the reason for this move was due to Mr. McCone's ability, a feeling of the Bechtel brothers (Kenneth, Stephen and W. A. Jr.) that Mr. McCone would enhance the company's operations, the fact he was well liked by all the Bechtels and to encourage his desire to broaden his ownership interests. Mr. Bechtel recalled that Mr. McCone acquired about five to ten per cent ownership interest, for which he paid cash of somewhere in the neighborhood of \$50,000 to \$100,000. Mr. McCone was made a director of WABC at the same time.

Mr. Bechtel stated that the Bechtel-McCone-Parsons Corporation (BMPC) and WABC were in supplementary fields although owned substantially by the same people. BMPC was also designers as well as builders whereas WABC performed only building operations. Mr. Bechtel advised that BMPC and WABC sometimes operated jointly with one or more of the so-called "Big Six" companies which included Utah Construction Company, Henry J. Kaiser Company, Morrison-Knudsen, and others. He stated the purpose of such joint operations was to share risk, responsibilities, equipment and organization in certain jobs of such magnitude that more than one company was required in order to operate with the greatest efficiency. He stated that these particular companies shared mutual respect among the corporate managements; therefore, they were able to cooperate with great facility. Specifically, Mr. Bechtel referred to the Seattle-Tacoma Shipbuilding Company, Tacoma, Washington, which had

JOHN ALEX McCONE

been formed as a joint enterprise to build ships. The Todd Shipyards Corporation was the principal sponsor and designed, built and operated the Seattle-Tacoma Shipbuilding Company. Affiliated with the Todd Shipyards Corporation was the so-called "Western Group" which included members of the "Big Six" companies, BMPC and WABC.

It was in 1938 or 1939 that the Seattle-Tacoma Shipbuilding Company commenced building ships under the United States Maritime Commission, and it was Mr. Bechtel's recollection that BMPC or WABC or both, he could not recall, had an estimated ten per cent or fifteen per cent ownership interest in that company. The amount of the investment in dollars was not recalled.

In 1940 the BMPC and WABC sponsored the organization of the Todd-California Shipyards Corporation at Richmond, California, in which Todd Shipyards Corporation, the Henry J. Kaiser Company and other "Big Six" companies also participated. Mr. Bechtel recalled that the group also formed other shipyard operations including the Todd-Bath Iron Works at Bath, Maine. It was his recollection that the Todd Shipyards Corporation had an approximate one-third to one-half ownership and the "Western Group" consisting of BMPC, WABC and members of the "Big Six" companies held the same amount.

In late 1940 or early 1941, the California Shipbuilding Corporation was organized as a result of the Liberty shipbuilding program. This resulted from a request of the United States Maritime Commission which wanted to build more ships at a faster rate. BMPC was the sponsoring group with Mr. McCone operating as managing head or president of the new corporation, better known as Calships. At the beginning, funds were derived from stock purchases by the "Big Six" group and BMPC and WABC. The Todd Shipyards Corporation never acquired any interest in Calships. About this time an exchange of stock was effected by which Todd Shipyards Corporation took over the interest of the "Western Group" in the Todd sponsored shipyards and the "Western Group" assumed full management and ownership of what was believed to be the only remaining interest, the Richmond, California, shipyard, better known as Kaiser Shipyards. Details of this exchange of stock were not recalled by Mr. Bechtel. He stated that BMPC and WABC were the sponsoring group of Calships from the beginning and, he believes, they had the largest stock interest.

JOHN ALEX McCONE

About 1945, Calships was dismantled and the two concerns, BMPC and WABC, ended up as residual owners of practically all the stock.

In late 1945 the firms WABC and BMPC were liquidated with approximately five to ten million dollars in assets being distributed to the stockholders. Mr. Bechtel stated that the Bechtel Brothers-McCone Company (BBMC) was then organized but existed for only a short time. He explained that he, his brothers, Stephen and W. A. Jr., and John McCone desired to withdraw from active participation in wartime activities of these companies which had been their principal field throughout the war years and to devote more time to their peacetime interests, which included the Industrial Indemnity Company, which had continued to expand during that period with practically no guiding impetus. The BBMC had as its principal active management, William Waste, Perry Yates, Van Rosendahl and others and the Bechtel brothers, Stephen and Kenneth, and John McCone limited their stock ownership to approximately ten per cent each. In late 1946 or 1947, Kenneth Bechtel and John McCone withdrew from BBMC, both withdrawing their entire ownership interest and investment which, to the best recollection of Mr. Bechtel, amounted to between \$100,000 and \$150,000 each. Mr. Bechtel noted that neither he nor Mr. McCone realized any profit or appreciation on their stock investment in that company but, instead, it represented a great loss to both in prospective earnings. Those in management control of the company specifically requested that Stephen Bechtel remain in the company as president and leader and he did so. The company changed its name to the Bechtel Corporation by which it is presently known.

Mr. Bechtel stated that, throughout the period Mr. McCone was associated with the Bechtel companies, none of these companies had any contracts with the AEC. It was not until 1949 or 1950 that the Bechtel Corporation undertook its first contract with AEC in connection with the Arco installation in Idaho. At the present time, Mr. McCone has no stock or other ownership interest in the Bechtel Corporation and has held no such interest since he withdrew in 1946 or 1947.

Mr. Bechtel recalled that Mr. McCone, about the end of World War II had become interested in the Joshua Hendy Ironworks at Sunnyvale, California, and it was Mr. Bechtel's belief that the WABC had purchased some stock ownership in the iron-

JOHN ALEX McCONE

works, extent of the investment not recalled. The Calships operation was Mr. McCone's particular interest at that time and there was a series of transactions which took place including conversion of Calships about 1947 to a cash position, which resulted in the formation of the Joshua Hendy Corporation. Mr. Bechtel could not now recall the details involved in these transactions. He stated that, following the change of name to Joshua Hendy Corporation, the Sunnyvale plant of the old iron-works was sold to Westinghouse Electric Corporation and the plant in the East had been sold to another company. As of 1948, by these sales, the Joshua Hendy Corporation had also been reduced to a cash position. It was Mr. Bechtel's recollection that John McCone then held approximately sixty per cent stock ownership in that company while Stephen Bechtel held about twenty-five per cent and he, Kenneth, held about fifteen per cent.

Mr. Bechtel stated he was not sufficiently acquainted with the financial status of the Joshua Hendy Corporation to even estimate its worth as of 1948 when the company had been reduced to a substantial cash position. He stated that in 1955, he and his brother, Stephen, had sold their stock interest in that corporation, either to Mr. McCone directly or to the corporation for a figure which approximated several hundred thousand dollars, but less than one million dollars. He stated that he does not know for certain whether Mr. McCone is now the sole owner but the Bechtel family has no stock ownership interest in the corporation at this time and he is certain that Mr. McCone owns the vast majority of the stock, if not all.

With regard to the Pacific Tankers, Incorporated, Mr. Bechtel recalled that corporation had been organized as one of the operations of the Bechtel-McCone Corporation during World War II and had subsequently been acquired by the Joshua Hendy Corporation. The Bechtel brothers and Bechtel Corporation do not have any vested interest in that corporation at this time and it is Mr. Bechtel's belief that the Joshua Hendy Corporation has now acquired full ownership of the Pacific Tankers, Incorporated, but he was not certain on this point.

Mr. Bechtel advised that the Industrial Indemnity Company with offices at 155 Sansome Street, San Francisco, California, consisted of the Industrial Indemnity Company, a corporation, in which Mr. McCone owns approximately five per cent stock interest and is also a director, and the Industrial

JOHN ALEX McCONE

Underwriters, a general partnership, in which Mr. McCone is one of the general partners with approximately five per cent interest. Among approximately twenty other general partners are included the three Bechtel brothers who, with Mr. McCone, own the majority interest in that company and in the Industrial Indemnity Company, the corporation. Mr. T. G. McGuire is president of Industrial Indemnity Company, Kenneth Bechtel is chairman of the board, and Stephen D. Bechtel and Stephen D. Bechtel, Jr., are directors.

Mr. Bechtel stated that there are no joint activities in which that company or, to his knowledge, the Bechtel Corporation, are engaged with the Joshua Hendy Corporation or with Mr. McCone and no such activities are contemplated, to his knowledge, in the foreseeable future. He stated that John McCone recently informed him that, if appointed to the position under consideration, he plans to immediately dispose of his partnership interest in the Industrial Underwriters and will, in all probability, dispose of his stock interest in the Industrial Indemnity Company in order to remove any possible hint of a continued affiliation with the Bechtel interests, Mr. Bechtel noting that the Industrial Indemnity Company is basically a Bechtel enterprise.

Mr. McCone testified during September, 1946, during the hearings before the Committee on the Merchant Marine and Fisheries, United States House of Representatives, 79th Congress, Second Session. These hearings were held in connection with an investigation of shipyard profits. There is enclosed a copy of the results of these hearings and Mr. McCone's testimony is reflected on pages 189 to 225, inclusive.

Enclosure

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

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Tolson _____
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The Washington Merry-Go-Round

THE WASHINGTON POST Friday, January 12, 1962 B25

U. S. Funds Gave McCone Big Start

By Drew Pearson

President Kennedy has picked some A-1 men for high office—some of the best in the past two decades. But the President must have had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency, which has a vital influence over American foreign policy.



Pearson

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequaled by any other man now in Government. The record is all spelled out in congressional hearings.

Cross-examined regarding his shipbuilding partnership with Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the Government had put up almost all the capital for their California Shipbuilding Co., of which McCone was president. It netted around a 44-million-dollar profit.

"What was the total cost to the Government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25 million," replied McCone.

"How much of the moneys of your corporation were in-

vested in the physical yard?" "Very little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

"Oh yes, there must have been."

A Wonderful Deal

"Did any of the executives receive management salaries that were reimbursable by the Commission?"

"The executives . . . were reimbursed in a manner agreed to by the Commission."

"And that was with Government funds?" McCone was asked.

"That is correct."

"With material supplied by the Government, with labor paid for by the Government, with interest on borrowed capital paid for by the Government; with management salaries paid for by the Government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the Government had turned over to McCone, Kaiser et al., all of the Government's materials, machinery, and other facilities located at the shipyard estimated as worth about \$14 million.

"The Government put in \$25 million to the building of this yard," counsel Coles asked. "At the time of the completion of the contract was there any Government-owned

shipbuilding material in California Shipbuilding Co.'s yards?"

"There was," was McCone's laconic reply.

Coles asked if the value of \$14 million was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the Government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's reply.

More Gravy

"Did you receive in addition to this yard that had cost \$25 million and this material which may have cost \$14 million, an additional sum of \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

"So in effect you got an additional \$2.5 million, did you?"

"You might put it that way," finally admitted the president of the shipping company.

Rep. Alvin Weichel, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4 million in nonreimbursable

expenses, which McCone said was given away in salary bonuses, charities, group insurance premiums, and ship-launching expenses.

"Did you give away \$5000 diamond necklaces?" asked Congressman Weichel.

"No, we gave \$60 cigarette boxes," replied McCone, adding that the top gift was \$800 to a ship sponsor.

Summarizing the facts, McCone's fellow Republican, Congressman Weichel, said: "The total number of ships you built was 467. The plant cost the Government \$25 million. There was \$14 million worth of property there when it was finished and you got \$2.5 million credit. That is roughly \$41 million . . ."

Adding in some other figures and making a quick calculation, Weichel concluded:

"Altogether your company got \$91 million for building 467 ships. Roughly, without the deduction of taxes, it cost the Government nearly \$200,000 in fees for each ship built by your company."

"The Todd (shipbuilding) people," Congressman Weichel pointed out, "had roughly \$11 million in fees and the plant cost about \$14 million. Theirs was about half the cost to the Government. Yours was \$200,000 per ship."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big Government jobs and more profits in business.

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1161-177-60

WASHINGTON MERRY-GO-ROUND

McCone's Appearances Before Congressional Group Retold

BY DREW PEARSON

President Kennedy has picked some A-1 men for high office. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency.

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequalled by any other man now in government. The record is all spelled out in congressional hearings.

were invested in the physical yard?"

"Very little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

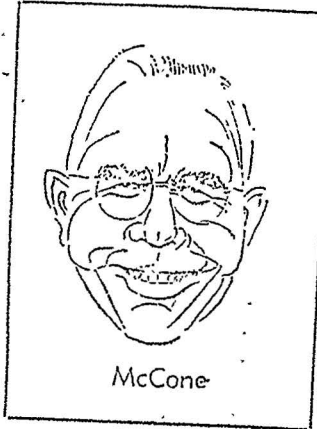
"Oh, yes, there must have been."

"Did any of the execu-

by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

"For the building of ships," replied McCone.

The House Merchant Marine Committee also developed the fact that the government had turned over to McCone, Kaiser et al, all of the government's materials, machinery and other facilities located at the shipyard estimated at worth about \$14 million.



McCone

Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California shipbuilding company, of which McCone was president. He netted around a \$44 million profit.

"What was the total cost to the government of building your yard?" asked Committee Counsel Marvin Coles.

"Some \$25 million," replied McCone.

"How much of the money of your corporation

tives receive management salaries that were reimbursable by the commission?"

"The executives... were reimbursed in a manner agreed to by the commission."

"And that was government money?" was asked.

"That is correct."

"With material supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for

"Did you receive in addition to this yard that had cost \$25 million and this material which may have cost \$14 million, an additional sum of \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

"So in effect you got an additional \$2.5 million, did you?"

"You might put it that way," finally admitted the president of the shipping company.

That was how John A. McCone got his start up the business ladder to big government jobs and more profits in business.

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
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Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
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Mr. Holloman _____
Miss Gandy _____

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DATE 3-22-02 BY SP4 BJA/DFW

432859

Los Angeles Times
Los Angeles, California
January 12, 1962
Page III-6

ENCLOSURE

161-170-60

Washington

Merry-Go-Round

By Drew Pearson

McCone's Gravy From Uncle Sam Escapes FBI Sleuths

WASHINGTON. — President Kennedy has picked some A-1 men for high office—some of the best in the past two decades. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency which has a vital influence over American foreign policy.

Looking back over McCone's past he has a record for making money out of Uncle Sam unequaled by any other man now in government. The record is all spelled out in congressional hearings, and it would have been easy for the FBI to have read it. The FBI, however, asks questions. It doesn't read.

Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California Shipbuilding Company, of which McCone was president. It netted around a \$14,000,000 profit.

"What was the total cost to the government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25,000,000," replied McCone.

"How much of the moneys of your corporation were invested in the physical yard?"

"Very little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

"Oh, yes, there must have been."

A Wonderful Deal

"Did any of the executives receive management salaries that were reimbursable by the commission?"

"The executives . . . were reimbursed in a manner agreed to by the commission."

"And that was with government funds?" McCone was asked.

"That is correct."

"With material supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the government had turned over to McCone, Kaiser et al, all of the government's materials, machinery, and other facilities located at the shipyard estimated as worth about \$14,000,000.

"The government put in \$25,000,000 to the building of this yard," Counsel Coles asked. "At the time of the completion of the contract was there any government-owned shipbuilding material in California Shipbuilding Company's yards?"

"There was," was McCone's laconic reply.

Coles asked if the value of \$14,000,000 was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's all-More Gravy.

"Did you receive in addition

to this yard that had cost \$25,000,000 and this material which may have cost \$14,000,000 an additional sum of \$2,500,000 in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2,300,000."

"So in effect you got an additional \$2,500,000, did you?"

"You might put it that way," finally admitted the president of the shipping company.

Rep. Alvin Weichel, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4,000,000 in nonreimbursable expenses, which McCone said was given away in salary bonuses, charities, group insurance premiums, and ship-launching expenses.

"Did you give away \$5,000 diamond necklaces?" asked Congressman Weichel.

"No, we gave \$60 cigarette boxes," replied McCone, adding that the top gift was \$800 to a ship sponsor.

"The government got cut both ways with it," pursued Rep. Weichel. "Your company was reimbursed for all the expenditures, for wages, materials, administrative costs, and everything except the \$4,000,000. And this \$4,000,000 you deducted from income taxes, so the government paid it that way. They did not pay it to you direct, but you deducted it from your income tax."

"To the extent that it lessened our tax," McCone concurred.

"Four million is a tidy sum even around here," commented Weichel.

Summarizing the facts, McCone's fellow Republican, Congressman Weichel, said: "The total number of ships you built was 467. The plant cost the government \$25,000,000. There was \$14,000,000 worth of property there when it was finished and you got \$2,500,000 credit. That is roughly \$41,000,000 . . ."

Adding in some other figures and making a quick calculation, Weichel concluded:

"Altogether your company got \$91,000,000 for building 467 ships. Roughly, without the deduction of taxes, it cost the government nearly \$200,000 in fees

Mr. Tolson ✓
Mr. Belmont ✓
Mr. Mohr ✓
Mr. Callahan ✓
Mr. Conrad ✓
Mr. DeLoach ✓
Mr. Evans ✓
Mr. Malone ✓
Mr. Rosen ✓
Mr. Sullivan ✓
Mr. Tavel ✓
Mr. Trotter ✓
Tele. Room ✓
Mr. Ingram ✓
Miss Gandy ✓

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432859

The Morning Herald
Hagerstown, Maryland
January 12, 1962
Page 8

ENCLOSURE

161-1117

60

for each ship built by your company.

"The Todd (shipbuilding) people," Congressman Weichel pointed out, "had roughly \$11,000,000 in fees and the plant cost about \$14,000,000. Theirs was about half the cost to the government. Yours was \$200,000 per ship."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big government jobs and more profits in business.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Evans

DATE: 1/17/62

FROM : W. V. Cleveland

SUBJECT: JOHN ALEX MC CONE
SPECIAL INQUIRY
WHITE HOUSE

Tolson _____
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Re my memo 1/16/62 regarding applicant investigations which have been conducted regarding McCone and regarding a syndicated column by Drew Pearson dated January 12, 1962, captioned "McCone's Gravy From Uncle Sam Escapes FBI Sleuths." The purpose of this memorandum is to advise that Pearson's column has now been obtained and analyzed and his allegations regarding the FBI are completely without foundation.

As a matter of interest there are attached three columns by Pearson, all of which appeared on January 12, 1962, in different localities. The Washington Post article contains no mention of the FBI, the Los Angeles Times article mentions the FBI only in the first paragraph and The Morning Herald, Hagerstown, Maryland, column mentions the FBI in the caption as well as the first and second paragraphs.

Pearson's column deals with hearings which were conducted by the Committee on the Merchant Marine and Fisheries, United States House of Representatives, 79th Congress, 2nd Session, in 1946 regarding the Henry Kaiser interests at San Francisco during the war and the fact that McCone testified during these hearings. Pearson states it would have been easy for the FBI to have read these hearings and adds in a snide manner in the Hagerstown column "The FBI, however, asks questions. It doesn't read." This remark could not be further from the truth.

As a matter of fact, when we investigated McCone, we were fully aware of his appearance before the Committee on Merchant Marine and Fisheries in 1946. The record of these hearings was reviewed and a complete transcript was furnished to the White House as an enclosure with our summary dated June 30, 1958. The attention of the White House was specifically called to the fact that Mr. McCone's testimony appeared on pages 189 to 225 inclusive.

Attachments

- 1 - Mr. Mohr
- 1 - Mr. Sullivan
- 1 - Mr. DeLoach

WVC:bjp
(7)

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161-1707-60

NOT RECORDED

FEB 21 1962

Memorandum to Mr. Evans
Re: JOHN ALEX MC CONE

It is interesting to note that on June 25, 1958, Mr. McPhee at the White House advised Mr. Bartlett of the Liaison Section that Governor Sherman Adams was very impressed with the promptness and thoroughness of the Bureau's handling of the McCone investigation. Of more significance is the fact that on the same date Senator Clinton Anderson of New Mexico, Chairman of the Joint Committee on Atomic Energy, a Democrat, advised Mr. Tolson that he had reviewed the White House file and it looked like "a good piece of work on the part of the FBI," referring to the investigation of McCone, a Republican.

ACTION:

For record purposes. We do not recommend that we shove this down Pearson's throat because he will then merely shift his attack to the White House, quoting the FBI. The true facts are available, however, in the event we are asked any questions by the Attorney General or Congress.

gmc ✓ ~~gmc~~ B ~~B~~ Q V. WPS

SPECIAL INVESTIGATIVE DIVISION

1/17/62

Pearson's column does pertain to the 1946 hearings before the Committee on Merchant Marine and Fisheries. To be sure, we checked the references in Pearson's column against the transcript of these hearings.

It is noted that when we furnished our summary of June 30, 1958 on McCone to the Kennedy Administration in October, 1961, we again attached the transcript of these Congressional Hearings. (AHB:hmm)

[Handwritten signature] *[Handwritten checkmark]*

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DATE 3-22-02 BY SP4 BJA/DFW

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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Mohr

DATE: 1/31/62

FROM : N. P. Callahan

SUBJECT: JOHN A. MC CONE
DIRECTOR, CIA

Tolson ☒
 Belmont ☒
 Mohr ☒
 Callahan ☒
 Conrad ☒
 DeLoach ☒
 Evans ☒
 Malone ☒
 Rosen ☒
 Sullivan ☒
 Tavel ☒
 Trotter ☒
 Tele. Room ☒
 Ingram ☒
 Gandy ☒

Today the Senate approved the nomination of John A. McCone of California to be Director of Central Intelligence Agency. He was confirmed by a vote to 71 to 12.

- 1 - Mr. DeLoach (sent direct)
- 1 - Mr. Sullivan (sent direct)

PGT:ejh
(5)

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UPI-137

ADD 4 MCCONE, WASHINGTON

THE SENATE CONFIRMED MCCONE AS DIRECTOR OF THE CENTRAL INTELLIGENCE
AGENCY.

1/31--EG243PES

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UPI-139

ADD 5 MCCONE, WASHINGTON
THE ROLL CALL VOTE WAS 71 TO 12 FOR CONFIRMATION.
1/31--EG247PES

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UPI-130

ADD 2 MCCONE, WASHINGTON
 REPLYING TO MCCONE'S CRITICS JUST BEFORE THE VOTE, CHAIRMAN RICHARD
 B. RUSSELL, D-GA., OF THE ARMED SERVICES COMMITTEE SAID HE REGRETTED
 THAT REPORTS OF CIA OVERSEAS OPERATIONS HAD BEEN DISCUSSED ON THE SENATE
 FLOOR.

"I AM DISAPPOINTED AT THE EXTENT TO WHICH INNUENDO WAS USED,"
 RUSSELL ADDED. HE EVIDENTLY REFERRED TO SUGGESTIONS THAT THE WEALTHY
 CALIFORNIA REPUBLICAN MIGHT INVOLVE HIMSELF IN CONFLICTS OF INTEREST
 THROUGH HIS HOLDINGS IN SHIPPING AND OIL COMPANIES.

MCCONE'S OPPONENTS SEEM TO BELIEVE, SAID RUSSELL, THAT THE CIA
 DIRECTOR IS A SUPER STATE DEPARTMENT WHO FRAMES FOREIGN POLICY OR A
 "FREE-WHEELING SECRETARY OF DEFENSE GOING AROUND THE WORLD DECLARING
 WAR AND TOPPLING GOVERNMENTS BY COVERT MEANS."

MCCONE'S FOREIGN POLICY VIEWS ARE NOT IMPORTANT BECAUSE HE WILL BE
 MERELY AN AGENT OF THE PRESIDENT, RUSSELL SAID.

1/31--GE220P

WASHINGTON CAPITAL NEWS SERVICE

ENCLOSURE

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DATE 3-22-02 BY SP4BJA/DFW

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UPI-133

-\$\$ 3 MCCONE, WASHINGTON

"ALL OF THIS TALK ABOUT MR. MCCONE'S VIEWS ON FOREIGN POLICY AND WHAT HE THOUGHT ABOUT THE POLICIES BEING APPLIED IN IRAN, IRAQ, THE CONGO OR SOME OTHER POINT ARE ESSENTIALLY BESIDE THE POINT," RUSSELL DECLARED.

HE PRAISED THE NOMINEE AS FULLY QUALIFIED FOR THE CIA POST IN EVERY RESPECT. MCCONE IS AN ABLE, PATRIOTIC, HONEST, FORTHRIGHT AMERICAN WHO DESIRES ONLY TO SERVE HIS COUNTRY, RUSSELL SAID.

RUSSELL TOLD THE SENATE THAT IF MCCONE DID NOT PROVE TO BE EVERYTHING EXPECTED AS CIA DIRECTOR "THE PRESIDENT CAN GET RID OF HIM AT THE STROKE OF A PEN."

HE ARGUED THAT THE CONFLICT OF INTEREST STATUTE RELATES TO THE ISSUE OF POWER OF PROCURMENT AND IS "DESIGNED TO PREVENT ANY MAN WITH CONTROL OF TAX MONEY FROM DOING BUSINESS WITH HIMSELF." HE SAID HE COULD NOT SEE HOW THIS AFFECTS MCCONE AS CIA DIRECTOR.

RUSSELL NOTED THAT "SENATORS THEMSELVES HOLD STOCK" AND SAID THAT THERE IS "MUCH MORE LIKELIHOOD OF CONFLICT OF INTEREST WITH A SENATOR THAN WITH THE DIRECTOR OF CENTRAL INTELLIGENCE."

SEN. FRANK J. LAUSCHE, D-OHIO RAISED THE QUESTION OF MCCONE'S HOLDINGS IN STANDARD OIL OF CALIFORNIA, WHICH IN TURN HAS OIL HOLDINGS IN THE MIDDLE EAST. HE SUGGESTED THE POSSIBILITY THAT MCCONE MIGHT LEARN IN ADVANCE OF A POSSIBLE OIL EXPROPRIATION ACTION BY SOME MID-EAST COUNTRY, AND THUS BE IN POSITION TO BENEFIT HIS OWN INTEREST.

RUSSELL REPLIED THIS COULD ONLY BE ASSUMED "IF YOU WANT TO THINK THE WORST" OF MCCONE. HE SAID THE SAME KIND OF ASSUMPTION MIGHT BE MADE AGAINST A PERSON OF THE JEWISH FAITH, BECAUSE OF ISRAEL, OR OF THE CATHOLIC FAITH, BECAUSE HE "MIGHT BE INFLUENCED BY THE POPE AT ROME."

SENATE FOREIGN RELATIONS CHAIRMAN J. WILLIAM FULBRIGHT, D-ARK., ANNOUNCED HE COULD NOT VOTE FOR MCCONE BECAUSE HE HAD NOT BEEN INFORMED WHAT FOREIGN POLICY VIEWS ARE HELD BY THE NOMINEE.

FULBRIGHT SAID NEITHER HE NOR HIS COMMITTEE WAS CONSULTED ABOUT THE APPOINTMENT AND THE COMMITTEE HAS "NOT BEEN GIVEN AN OPPORTUNITY TO BE INFORMED" ON HIS FOREIGN POLICY VIEWS.

1/31--EG229PES

161-1709-61

WASHINGTON CAPITAL NEWS SERVICE
ENCLOSURE

~~TOP SECRET~~



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

Mr. Tolson ✓
Mr. Belmont ✓
Mr. Mohr ✓
Mr. Callahan ✓
Mr. Conrad ✓
Mr. DeLoach ✓
Mr. Evans ✓
Mr. Malone ✓
Mr. Rosen ✓
Mr. Sullivan ✓
Mr. Tavel ✓
Mr. Trotter ✓
Tele. Room ✓
Mr. Ingram ✓
Miss Gandy ✓

VIA LIAISON
RECEIVED FROM
FEB 21 1962
CIA SJP

19 FEB 1962

per OGA letter dated 10-4-02 SP4 BJA/DFW
11-4-02

DECLASSIFIED BY SP4 BJA/DFW

ON 11-4-02

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DATE 3-22-02 BY SP4 BJA/DFW

11432859

Honorable J. Edgar Hoover, Director
Federal Bureau of Investigation
United States Department of Justice
Washington 25, D. C.

Dear Mr. Hoover:

Thank you very much for your letter of 14 February
and for the enclosed memorandum entitled An American's
View From Red China which you were so thoughtful to
bring to my attention.

I have forwarded this information to some of our
specialists on a need-to-know basis.

Sincerely,

John A. McCone
Director

EX 100

REC-48

161-1709-62
10 FEB 26 1962

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DECLASSIFIED-EXERCISE

20 MAR 1 1962

~~TOP SECRET~~

CIA Director McCone Weds Mrs. Paul Pigott

Central Intelligence Agency Director John McCone and Mrs. Paul Pigott, widow of a Seattle industrialist, were married this morning.

The nuptial mass took place in St. Anne's Chapel, with the Rev. William Gallagher officiating. Only members of the families attended.

The bride was given in marriage by her eldest son, Mr. P. J. Pigott. Mr. William M. Allen of Seattle served as Mr. McCone's best man.

Honeymoon

Following a wedding breakfast at the bride's residence, the couple left for a brief trip to Europe. Upon their return they will live here.

The couple also hopes to make an occasional trip to the bride's residence in The Highlands, Seattle, and to Mr. McCone's home in San Marino, Calif.

Mr. McCone's first wife, the former Rosemary Cooper, whom he married in 1938, died last December in Washington. The McCone and Pigott families have been close friends for many years, and Mrs. Pigott and Mr. McCone were fellow-students at the University of California at Berkeley.

President of the California Shipbuilding Corporation during World War II, Mr. McCone built and managed the Air Force's Modification Center in Birmingham, Ala. His engineering firm designed and constructed chemical plants, refineries and power plants throughout the world.

He is presently president and owner of the Joshua Hendy Corporation, which engages in overseas shipping, particularly the ore-carrying trade in South America and through its Pacific Tankers Division, the operation of a fleet of oil tankers in the Pacific.

A Republican, Mr. McCone's official service with the United States Government began in 1947 when he was appointed by President Truman as a member of the President's Air Policy Commission.

From March to November of 1948 he was Special Deputy to Secretary of Defense James V. Forrestal, and in May of 1950 he was appointed Undersecretary of the Air Force.

Eisenhower Appointee

In June, 1958, President Eisenhower appointed Mr. McCone chairman of the Atomic Energy Commission, a post he held until he resigned in January, 1961, at the close of the Eisenhower administration.

Mrs. Pigott, whose husband died in January, 1961, is the mother of three sons and three daughters, all married.

Mrs. Pigott has been a re-

gent of Seattle University, a member of the board of the Children's Orthopedic Hospital, of the Pacific Northwest Research Foundation, and of the Arboretum Foundation, all of Seattle.

She also has been a sponsor of the Seattle Symphony Orchestra, a member of the Seattle Art Museum, a sustaining member of the Junior League of Seattle, and a member of the National Executive Committee of the Stanford Peace Program.

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The Washington Post and Times Herald _____
The Washington Daily News _____
The Evening Star _____
New York Herald Tribune _____
New York Journal-American _____
New York Mirror _____
New York Daily News _____
New York Post _____
The New York Times _____
The Worker _____
The New Leader _____
The Wall Street Journal _____
The National Observer _____
Date _____

AUG 29 1962

ENCLOSURE

Pigott-memo
McCone-memo (for ref only)

MGT-11

161-1709-63

8-28-62
RVA: EAP

file
JFK

Report SA Vincent W. Hughes 6/18/55 Los Angeles
Presented to Mr. [unclear]

LA 77-2423
VWH:po

In 1954 McCone became sole owner

Panama Pacific Tankers (a Panamanian Corporation) is engaged in the ownership, chartering, and operations of ships engaged, in world commerce, in the bulk trades such as transportation of iron ore, coal, grain, and oil.

of Joshua Hendy Corporation

John McCone

161
165
Joshua Hendy Corporation is engaged primarily in the shipping business operating both American-flag and foreign-flag vessels directly as through affiliated foreign corporations in which Hendy owns a 50% interest and provides management through management contracts. The remaining 50% is owned by States Marine Lines. Hendy owns and charters and operates ships in the coastwise and intercoastal trade moving liquid chemicals and petroleum products. Principal users of this service are:

Union Carbide and Chemical Company
Commercial Solvents Company
Shell Chemical Company
Standard Oil of California
Standard Oil of New Jersey (chemical division)
Richfield Oil Company
Dow Chemical Company
and others.

file
161-1709

Hendy is now in active but inconclusive negotiating with Union Carbide and Chemical Company and U. S. Steel Corporation which, if concluded, will call for the operation of at least two additional American-flag vessels in the coastwise or intercoastal trade.

The services of our ships are employed under contracts of affreightment ranging from single voyages to five years or more (Union Carbide - 5 years).

Ships are also engaged, when space is available, on a voyage basis for moving Government-owned or controlled liquid products as vegetable oils, etc.

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Hendy operates 10 Navy-owned tankers for the M.S.T.S. on a cost plus fixed fee basis under a contract originally negotiated in 1948 and renewed from time to time. Most recent renewal, July 1, 1957. Expiration date, June 30, 1961.

Hendy owns 50% of the stock of Transworld Carriers, Inc., and of Redwood Corporation, both Panamanian corporations. (Remaining 50% owned by States Marine interests.) Their activities are as follows:

Transworld Carriers and Redwood Corporation are engaged in the transportation of iron ore, bauxite, and oil from points throughout the world to the United States ports. Services are performed in owned or chartered vessels. The Transworld and Redwood fleet consists of -

1 - 35,000 ton tanker time chartered to Standard Oil of California for 5 years (Liberian flag)

2 - 19,000 ton ore carriers (Norwegian flag) chartered to Navios Corporation (United States Steel Corporation) for about 12 years

5 - 36,500 ton ore carriers (Liberian flag) chartered to the Navios Corporation (United States Steel Corporation) for about 12 years (2 of these ships now under construction Hamburg, Germany.)

2 - 36,500 ton iron ore carriers (Liberian flag) engaged for seven years under contract of affreightment to move ore from Peru to U. S. ports for Marcona Mines Corporation (Utah Construction Company and Cypress Mines Company)

Transworld Carriers own 50% interest in Sequoia Corporation (a Panamanian Corporation) (with Kaiser Aluminum and Chemical Company owning the remaining 50%.

Sequoia Corporation holds a 15 year contract to transport bauxite from Jamaica to Baton Rouge or elsewhere for Kaiser and has arranged for construction of three 36,000 ton bauxite carriers to perform this contract. The ships are built in Hamburg, Germany, and will be Norwegian-flag. One ship is now in service - balance to go into service during 1958.

All of these ships can be used by Transworld or the Charterers in world commerce with very little restriction if the ships are not fully utilized in the designated trades.

"Other Activities:

For several years Hendy, or McCone as an individual, has participated in engineering and construction projects throughout the world in joint venture with Bechtel Company and others. No such ventures are now active, and none are in immediate contemplation."

It will be noted that in explaining the activities of the Joshua Hendy Corporation it was stated that the following companies were some of the principal users of Joshua Hendy:

Union Carbide and Chemical Company

Dow Chemical Company

These two companies are engaged in work for the Atomic Energy Commission according to Mr. MC CONE. He further stated that the Utah Construction Company and the Cypress Mines Company and the Kaiser Aluminum and Chemical Company, all of which are mentioned in the above document, likewise are engaged in work on behalf of the Atomic Energy Commission.

Mr. Ashley for, with Mr. Wainwright against.
 Mr. Jensen for, with Mr. Stauffer against.
 Mr. Gordon for, with Mr. Vanik against.
 Mr. Coffin for, with Mr. Herlong against.
 Mr. Boykin for, with Mr. O'Brien of New York against.
 Mr. Burdick for, with Mr. Coudert against.
 Mr. Hillings for, with Mr. Rains against.

Until further notice:

Mr. Teague of Texas with Mr. Hale.
 Mr. Young with Mr. Avery.
 Mr. Dies with Mr. Baumhart.
 Mr. Davis of Tennessee with Mr. Harrison of Nebraska.
 Mrs. Blitch with Mr. Hoffman.
 Mr. Barden with Mr. McGregor.
 Mr. Macdonald with Mr. Miller of New York.
 Mr. O'Neill with Mr. Minshall.
 Mr. Brooks of Louisiana with Mr. McIntire.
 Mr. Shuford with Mr. Mason.

Mr. REUSS changed his vote from "yea" to "nay."

Mr. O'BRIEN of New York. Mr. Speaker, I voted "No." I have a live pair with the gentleman from Alabama [Mr. Boykin]. If he were present, he would vote "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 121. Concurrent resolution authorizing a change in the enrollment of the joint resolution (S. J. Res. 135) providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumption uses.

CONSERVATION OF THE RARE HAWAIIAN NENE GOOSE

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4249) to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object; will the gentleman tell us what this bill does?

Mr. BONNER. Mr. Speaker, the purpose of the bill is to authorize a program of research, propagation, and management for the Hawaiian Nene goose. At the present time, there are only about 50 geese at large in the entire Territory of Hawaii, and their continued existence is threatened in the absence of a program for their management. Up to the present, voluntary efforts by private individuals and very small grants by the Territory of Hawaii have served to keep the species from following the passenger pigeon into extinction. Existing

funds that might be used are not available because of regulations of the Fish and Wildlife Service and, in the absence of this authorization, necessary steps for the propagation of the species cannot be undertaken.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That whereas there are less than 50 Nene geese in the wild state in the Territory of Hawaii, and this unique, native species of waterfowl is threatened with imminent extinction, the Secretary of the Interior is hereby authorized and directed to promote a program of research, propagation, and management necessary to effect the restoration of this threatened species in its natural habitat.

Sec. 2. The sum of \$15,000 per annum is hereby authorized to be appropriated each year for a period of 5 years to carry out the purposes of this act.

Mr. BURNS of Hawaii. Mr. Speaker, S. 4249 and H. R. 11584 are identical bills to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose—*Branta sandvicensis*—which is now considered one of the rarest species of waterfowl in the world.

I want to take advantage of this opportunity to commend the chairman and members of the Merchant Marine and Fisheries Committee of the House for their expeditious and gracious consideration of this bill and its prompt reporting to this House. I want to also acknowledge the kind courtesy of the senior Senator from Washington, the Honorable WARREN MAGNUSON, for his introduction of the Senate bill which was promptly considered by the Interstate and Foreign Commerce Committee of the other body which the Senator from Washington is chairman. The diligence and great interest of Chairman MAGNUSON and the members of his committee are gratefully acknowledged.

By action of the Territorial Legislature in 1955 the Nene, or Hawaiian goose, was named the official bird of Hawaii.

The history of the effort to preserve the vanishing species of wildlife in the United States is one of too little too late. The Nene was abundant at one time on the slopes of Mauna Loa and Hualalai in Hawaii and Haleakala in Maui.

Over the past several decades this magnificent waterfowl has declined seriously in numbers due to several factors, including indiscriminate hunting in past years, changes in land use, and the increase of predators, such as mongooses, wild pigs and dogs. The bird was formerly a migratory one but became at some time in the distant past a resident of Hawaii.

Today, as a result of extensive efforts, there are less than 50 birds in the wild state. Two captive flocks are in existence, one owned by Mr. Herbert C. Shipman, of Hawaii, and the other by the Wildfowl Trust, Slimbridge, Gloucestershire, England. This latter flock was started from a male and 2 females in 1950.

In 1955, with the help of interested conservationists in Hawaii and on the mainland, grants to the total amount of \$8,000 to finance an ecological survey were secured through the Yale University Bishop Museum Fellowship, Pan American Section of the International Committee for Bird Preservation, the Guggenheim Foundation, and the McInerney Foundation. Dr. William H. Elder, professor of zoology at the University of Michigan, conducted the study and made a four-step recommendation.

The Legislature of Hawaii and the Territorial administration have made material contributions of effort and money to the preservation of the Nene and its reestablishment. Since July 1, 1949, to June 30, 1958, \$22,865 has been expended through the fish and game division of the board of agriculture and forestry. The budget request for the 1958-59 biennium is \$17,000.

Within the last month an agreement was made with the Bishop estate and C. Brewer & Co., owners of the land where the Nene is found in the wild state, for the establishment of a sanctuary which will be maintained and controlled by the fish and game division of the Territorial government. The two owners of the land are allowing the use of their property without compensation. Hawaii has done its part with the means at its command. The Federal assistance is needed so that competent personnel can be assigned to the task of permanently restoring the Nene and seeing the job through. This can be done by enactment of S. 4249 and H. R. 11584.

The Wildlife Management Institute, the National Parks Association, the National Audubon Society, the Wildfowl Trust of England, the Federation of Western Outdoor Clubs, the Izaak Walton League of America, among others, have expressed their support of the bills. The Department of the Interior, Fish and Wildlife Service, has recommended enactment of the bills, and the Bureau of the Budget interposes no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

161-1709
 OPERATING ASSIGNMENT OF THE NUCLEAR SHIP "SAVANNAH"
 170 FEB 21 1962

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, 2 years ago there was enacted a bill, which I introduced in the spring of 1955, to authorize the construction of an atomic merchant ship powered by a specially designed advanced type of reactor. This first great application of nuclear power to shipping was to be a practical merchant vessel of combination passenger and cargo design capable of providing shipping services on routes essential for maintaining the flow of the foreign

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commerce of the United States. The authorization took the form of an amendment to title VII of the Merchant Marine Act of 1936, since it was intended that the ship would be in furtherance of our national maritime policy as laid down by the Congress in that act.

The creation of the ship was to be a joint project with the Atomic Energy Commission responsible for the nuclear reactor and the Department of Commerce responsible for design and construction of the vessel itself and all of its other equipment and machinery.

This important project is now under way. She was christened the Nuclear Ship *Savannah* at her keel-laying in Camden, N. J., on National Maritime Day, May 22, of this year. She is scheduled to be launched next year and be ready for operation in 1960.

The *Savannah*, in her construction and operation, will be the laboratory in which the American merchant marine in the nuclear age will be developed. Upon completion it is contemplated that she will operate to various areas throughout the world in demonstration of the peaceful uses of the miracle power of atomic energy.

We are fortunate that through the effective operation of the Merchant Marine Act of 1936, to foster the development and encourage the maintenance of an American-flag, citizen-owned merchant marine, there are long-established and experienced operators serving essential trade routes with wholly owned and operated American-flag passenger and freight vessels serving Western Europe, the Mediterranean, the east and west coasts of South America, the Far East, Australia, Africa, and around the world.

Thus, there are logically available many companies ready, able, and willing to perform their share in their partnership with the Government in carrying out our national policy. Among them are major companies whose very names bespeak of our country: United States Lines, American Export Lines, and American President Lines.

In view of the foregoing, therefore, I was greatly disturbed—I might even say I was shocked—when it was announced by the Maritime Administration and the Atomic Energy Commission 2 or 3 weeks ago that States Marine Corporation of Delaware has been selected as the general agent for the operation of the nuclear ship *Savannah*, under a negotiated operating agreement.

At this point I want to make it perfectly clear that my reaction to the announcement implies no criticism of States Marine as an operating steamship company. Nor do I suggest that the proposed assignment of the vessel is not within the letter of the law.

On the basis of information which has come to my attention, there are, however, certain aspects of this proposition which I consider to be highly questionable.

First, it is the intent of the 1936 act that the American merchant marine shall be owned and operated under the United States flag by citizens of the United States. Provisions of the shipping laws implement this intent by strict requirements regarding citizenship. Fur-

ther to assure the very highest degree of American control, the 1936 act provides that it shall be unlawful for any contractor receiving an operating differential subsidy, or for any charterer of vessels under that act, or any holding company, subsidiary, affiliate, or associate of such contractor or such charterer, or any officer, director, agent, or executive thereof, directly or indirectly to own, charter, act as agent or broker for, or operate any foreign-flag vessel which competes with any American-flag service determined to be essential under the act.

It is my understanding States Marine Lines operates about 15 American-flag ships of its own, plus 24 more through its wholly owned subsidiary, Isthmian Lines, Inc. Some 40 to 50 American-flag ships are said to be operated under charter. And an additional 4 or 5 are operated through a berth agency with Bloomfield Steamship Company. But the States Marine fleet of 122 vessels includes somewhere between 30 and 40 foreign-flag ships, operated through foreign connections and affiliations which makes it presently ineligible to receive operating subsidy or charter vessels under the 1936 act. In the operation of both its American and foreign-flag ships, this company uses foreign shipping firms as its agents abroad, and in turn acts as United States agents for them.

According to *Fortune Magazine*, in South Africa, for example, States Marine, headed by Henry Mercer of New York, helped set up a company for an old friend, former British Air Marshal Harris. As the *Fortune* article says:

Mercer was instrumental in getting some ships from the United States Maritime Commission for the South African company, and the two firms whack up 50/50 such cargo as they can corral that is headed either east or west between the United States and South Africa.

Only by resorting to the broad authority in the Federal Maritime Board to use general agents to operate vessels owned by the United States for experimental or testing purposes, can the assignment of the nuclear ship *Savannah* to States Marine rather than to an American operator without foreign connections be legally justified.

While flexibility of authority is undoubtedly desirable in connection with the development, trial and testing of vessels for experimental purposes, no facts have come to my attention which would justify the assignment of a vessel having the significance of the nuclear ship *Savannah* to an operator who because of extensive foreign-flag affiliations cannot meet the tests laid down in the 1936 act, when there are fully-qualified wholly-owned American steamship companies available to perform this important function.

In this connection, it is my understanding that an interagency operator selection board of the Maritime Administration and the Atomic Energy Commission was appointed to review and analyze the replies of the seven operators indicating an interest in operating the *Savannah*. It is further my understanding that this Board unanimously

recommended American President Lines, Limited, as first choice and United States Lines Company as second choice, on the basis of the many factors involved, but with particular reference to basic trade routes and extent of experience with passenger operations. Moreover, these two companies have already made substantial studies in connection with nuclear propelled vessels. Unfortunately, I cannot vouch for the accuracy of the conclusions which I have been told were contained in the report of the interagency board, because I have been unable to obtain a copy of the report. I have requested the Maritime Administrator to furnish me with a copy of the board's report with the background justifications for the final selection of an operator. This has been denied me.

Nonetheless, it is a well-known fact that States Marine does not now, and never has, engaged in the operation of passenger vessels, although I believe the Isthmian subsidiary carries some passengers on its 12-passenger freighters. I am at a loss to understand the decision that has been made.

The publicity attending the announcement of the assignment of the vessel states that in the handling of future passenger travel, Matson Navigation Co. would act with States Marine. Again I cannot understand why other qualified American passenger operators should have been passed over in favor of a company that had indicated no interest in operating the vessel.

The picture becomes even more cloudy and confusing when it is realized that the able and distinguished new Chairman of the Atomic Energy Commission, Honorable John A. McCone, is a man with extensive shipping interests. Mr. McCone's shipping companies are Joshua Hendy Corp., and Panama Pacific Tankers which are engaged directly or through subsidiaries in the shipping business as owners, charterers and operators of ships under both foreign and American flag. The Hendy vessels are employed in the distribution of chemicals, crude oil and refined petroleum products, and iron ore and bauxite. At the time of his nomination for the Atomic Energy Commission post, Mr. McCone was engaged in a very active partnership with Mr. Mercer, the head of States Marine Lines. According to the August 1958 issue of *Fortune*:

With Mr. Mercer's support, Mr. McCone had plunged ahead with a plan to make Joshua Hendy one of the most important seagoing ore carriers. Its trade prospered. It was hauling iron ore from Venezuela and Peru, bauxite from Jamaica, and chemicals in the intercoastal trade.

The nomination hearings before the Senate Section of the Joint Committee on Atomic Energy on July 2 of this year do not go into detail except to show that Mr. McCone has divested himself of his control of the two shipping corporations to the extent of placing his stock in them in an irrevocable trust with the trust department of the California Bank of Los Angeles. I have no concern with the arrangements made by Mr. McCone to meet the technical requirements of the law in regard to the difficult problem of avoiding conflicts of interests

faced by so many able and successful businessmen when called to public service. However, the facts concerning the intimate business relationships which have existed between Mr. McCone and Mr. Mercer raise certain obvious questions when we seek to find the answer to the apparently illogical assignment of the nuclear ship *Savannah* to States Marine Lines by the Department of Commerce and the Atomic Energy Commission.

Another recent development seems to shed further light on a picture that becomes more complicated as it is examined. As recently as August 14, 1958, the president of Matson Orient Line, Inc., an applicant for operating subsidy from United States Atlantic ports to the Far East, announced that Matson Navigation Co. and Isthmian Lines, Inc., will each acquire a 50-percent ownership of Matson Orient. Matson Navigation and Isthmian will buy 100 percent of the common stock of Matson Orient, Inc., for \$8½ million, with which Matson Orient then proposes to purchase three vessels from each Matson Navigation and Isthmian with which to commence its new service and will have \$1 million left over as working capital. The officers and directors of Matson Orient Line are also officers or directors of one or more of Matson Navigation Co., Isthmian Lines, Inc., and States Marine Corp. Perhaps this new development explains why Matson Navigation Co., which expressed no interest in operating the *Savannah*, should nevertheless be designated to act with States Marine in the handling of future passenger travel.

Mr. Speaker, even though I have no reason to believe that any law has been violated by the decision of the Secretary of Commerce to select States Marine Lines as operating agent for the nuclear ship *Savannah* in preference to exclusively American-flag lines, which to me are seemingly more logical and qualified, the known circumstances in this matter are of great interest to me and I feel that they must be to the Members of Congress generally.

I do not know whether there was any undue pressure from any source that caused this situation to be brought about; but I can assure you that I intend to follow the future course of arrangements relative to the development and operation of our first nuclear merchant ship with even more intense interest than I heretofore have since I introduced the original authorizing legislation.

There is not now, and I doubt if there ever has been, any Member of this Congress more devoted to the cause of developing and maintaining a strong American-flag merchant marine. The Merchant Marine Act of 1936 is an excellent law if administered properly and carefully. But if it is not, I fear that we might again find ourselves confronted with the disgraceful situation that brought about the Black investigation of 1934 and 1935, with its disclosures of complicated corporate subterfuges and favoritism diverting the purposes of the then existing law which Congress had passed in the hopes of developing an

adequate, stable, and efficient merchant marine to serve the needs of the commerce and defense of this country.

Mr. Speaker, I will watch with interest to see who plucks the plum.

SUPPLEMENTAL APPROPRIATIONS, 1959

Mr. CANNON submitted the following conference report and statement on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 2686)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 36 and the amendment of the House thereto, and numbered 114, to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$2,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 36.

CLARENCE CANNON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
JOHN TABER,
GERALD R. FORD, Jr.,
FRANK T. BOW,

Managers on the Part of the House.

CARL HAYDEN,
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ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
WILLIAM F. KNOWLAND,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CHAPTER VII

Independent offices

National Aeronautics and Space Administration

Amendment No. 36: Reported in disagreement.

CHAPTER XIII

United States Information Agency

Payment to Informational Media Guaranty Fund

Amendment No. 114: Appropriates \$2,500,000 instead of \$5,000,000 as proposed by the Senate.

CLARENCE CANNON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
JOHN TABER,
GERALD R. FORD, Jr.,
FRANK T. BOW,

Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

The Clerk read the conference report. Mr. CANNON. Mr. Speaker, this report is the result of the further conference with the other body on the supplemental appropriation bill for 1959.

On yesterday the House and the Senate disposed of all other differences on the bill. The report now before the House disposes of the two remaining amendments—Nos. 36 and 114.

Amendment 36 originally provided that in the future, no appropriation could be made to the National Aeronautics and Space Administration unless first authorized by law hereafter enacted. The House on yesterday refused to subscribe to that provision. The Senate further insisted. In the pending report, the managers reach agreement on language limiting the life of the provision to appropriations for any period up to June 30, 1960. Since appropriations for fiscal 1959 are already adopted, the provision will have no practical effect until the next Congress, at which time there will be opportunity to further consider the matter.

Amendment 114 inserted \$5 million for further payment to the informational mediums guaranty fund under supervision of the United States Information Agency. The House had not considered the item and on yesterday, refused to concur. The Senate further insisted. The pending report proposes \$2,500,000 for the item, a compromise of one-half.

Mr. Speaker, the managers would of course have preferred to sustain the will of the House, but as with most proposed legislation, when the other body continues to insist, the only practical solution is compromise. On both amendments, we believe we secured a reasonable compromise.

In conclusion, Mr. Speaker, and by way of summary, the final appropriation totals for the bill in relation to the budget estimates and the House and Senate versions are as follows:

Budget estimates (including some not considered by House)	\$4,081,154.22
House bill	3,131,844.77
Senate bill	3,868,382.97
Conference total (final)	3,697,305.47
Conference total compared to budget estimates	-383,848.75

Mr. Speaker, the final total is a reduction of nearly 10 percent below total budget estimates. And to repeat briefly the statement of yesterday, this bill is more of a regular annual bill than a supplemental bill. It is only incidentally a supplemental bill. Nearly 85 percent of the conference total represents the regular annual appropriations for several agencies and activities. And of the abnormally large increase over the House bill, approximately 90 percent represents amounts not considered by the House when the bill was first here.

The SPEAKER. The question is on suspending the rules and agreeing to the conference report.

Mr. Ashley for, with Mr. Wainwright against.
 Mr. Jensen for, with Mr. Stauffer against.
 Mr. Gordon for, with Mr. Vanik against.
 Mr. Coffin for, with Mr. Herlong against.
 Mr. Boykin for, with Mr. O'Brien of New York against.
 Mr. Burdick for, with Mr. Coudert against.
 Mr. Hillings for, with Mr. Rains against.

Until further notice:

Mr. League of Texas with Mr. Hale.
 Mr. Young with Mr. Avery.
 Mr. Hies with Mr. Baumhart.
 Mr. Davis of Tennessee with Mr. Harrison of Nebraska.
 Mrs. Blitch with Mr. Hoffman.
 Mr. Borden with Mr. McGregor.
 Mr. McDonald with Mr. Miller of New York.
 Mr. O'Neill with Mr. Minshall.
 Mr. Brooks of Louisiana with Mr. McIntire.
 Mr. Shuford with Mr. Mason.

Mr. REUSS changed his vote from "yea" to "nay."

Mr. O'BRIEN of New York. Mr. Speaker, I voted "No." I have a live pair with the gentleman from Alabama [Mr. Boykin]. If he were present, he would vote "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

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Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4249) to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object; will the gentleman tell us what this bill does?

Mr. BONNER. Mr. Speaker, the purpose of the bill is to authorize a program of research, propagation, and management for the Hawaiian Nene goose. At the present time, there are only about 50 geese at large in the entire Territory of Hawaii, and their continued existence is threatened in the absence of a program for their management. Up to the present, voluntary efforts by private individuals and very small grants by the Territory of Hawaii have served to keep the species from following the passenger pigeon into extinction. Existing

funds that might be used are not available because of regulations of the Fish and Wildlife Service and, in the absence of this authorization, necessary steps for the propagation of the species cannot be undertaken.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That whereas there are less than 50 Nene geese in the wild state in the Territory of Hawaii, and this unique, native species of waterfowl is threatened with imminent extinction, the Secretary of the Interior is hereby authorized and directed to promote a program of research, propagation, and management necessary to effect the restoration of this threatened species in its natural habitat.

SEC. 2. The sum of \$15,000 per annum is hereby authorized to be appropriated each year for a period of 5 years to carry out the purposes of this act.

Mr. BURNS of Hawaii. Mr. Speaker, S. 4249 and H. R. 11584 are identical bills to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose—*Branta sandvicensis*—which is now considered one of the rarest species of waterfowl in the world.

I want to take advantage of this opportunity to commend the chairman and members of the Merchant Marine and Fisheries Committee of the House for their expedition and gracious consideration of this bill and its prompt reporting to this House. I want to also acknowledge the kind courtesy of the senior Senator from Washington, the Honorable WARREN MAGNUSON, for his introduction of the Senate bill which was promptly considered by the Interstate and Foreign Commerce Committee of the other body which the Senator from Washington is chairman. The diligence and great interest of Chairman MAGNUSON and the members of his committee are gratefully acknowledged.

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The Wildlife Management Institute, the National Parks Association, the National Audubon Society, the Wildfowl Trust of England, the Federation of Western Outdoor Clubs, the Isaac Walton League of America, among others, have expressed their support of the bills. The Department of the Interior, Fish and Wildlife Service, has recommended enactment of the bills, and the Bureau of the Budget interposes no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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First, it is the intent of the 1936 act that the American merchant marine shall be owned and operated under the United States flag by citizens of the United States. Provisions of the shipping laws implement this intent by strict requirements regarding citizenship. Fur-

ther to assure the very highest degree of American control, the 1936 act provides that it shall be unlawful for any contractor receiving an operating differential subsidy, or for any charterer of vessels under that act, or any holding company, subsidiary, affiliate, or associate of such contractor or such charterer, or any officer, director, agent, or executive thereof, directly or indirectly to own, charter, act as agent or broker for, or operate any foreign-flag vessel which competes with any American-flag service determined to be essential under the act.

It is my understanding States Marine Lines operates about 15 American-flag ships of its own, plus 24 more through its wholly owned subsidiary, Isthmian Lines, Inc. Some 40 to 50 American-flag ships are said to be operated under charter. And an additional 4 or 5 are operated through a berth agency with Bloomfield Steamship Company. But the States Marine fleet of 122 vessels includes somewhere between 30 and 40 foreign-flag ships, operated through foreign connections and affiliations which makes it presently ineligible to receive operating subsidy or charter vessels under the 1936 act. In the operation of both its American and foreign-flag ships, this company uses foreign shipping firms as its agents abroad, and in turn acts as United States agents for them.

According to Fortune Magazine, in South Africa, for example, States Marine, headed by Henry Mercer of New York, helped set up a company for an old friend, former British Air Marshal Harris. As the Fortune article says:

Mercer was instrumental in getting some ships from the United States Maritime Commission for the South African company, and the two firms whack up 50/50 such cargo as they can corral that is headed either east or west between the United States and South Africa.

Only by resorting to the broad authority in the Federal Maritime Board to use general agents to operate vessels owned by the United States for experimental or testing purposes, can the assignment of the nuclear ship *Savannah* to States Marine rather than to an American operator without foreign connections be legally justified.

While flexibility of authority is undoubtedly desirable in connection with the development, trial and testing of vessels for experimental purposes, no facts have come to my attention which would justify the assignment of a vessel having the significance of the nuclear ship *Savannah* to an operator who because of extensive foreign-flag affiliations cannot meet the tests laid down in the 1936 act, when there are fully-qualified wholly-owned American steamship companies available to perform this important function.

In this connection, it is my understanding that an interagency operator selection board of the Maritime Administration and the Atomic Energy Commission was appointed to review and analyze the replies of the seven operators indicating an interest in operating the *Savannah*. It is further my understanding that this Board unanimously

recommended American President Lines, Limited, as first choice and United States Lines Company as second choice, on the basis of the many factors involved, but with particular reference to basic trade routes and extent of experience with passenger operations. Moreover, these two companies have already made substantial studies in connection with nuclear propelled vessels. Unfortunately, I cannot vouch for the accuracy of the conclusions which I have been told were contained in the report of the interagency board, because I have been unable to obtain a copy of the report. I have requested the Maritime Administrator to furnish me with a copy of the board's report with the background justifications for the final selection of an operator. This has been denied me.

Nonetheless, it is a well-known fact that States Marine does not now, and never has, engaged in the operation of passenger vessels, although I believe the Isthmian subsidiary carries some passengers on its 12-passenger freighters. I am at a loss to understand the decision that has been made.

The publicity attending the announcement of the assignment of the vessel states that in the handling of future passenger travel, Matson Navigation Co. would act with States Marine. Again I cannot understand why other qualified American passenger operators should have been passed over in favor of a company that had indicated no interest in operating the vessel.

The picture becomes even more cloudy and confusing when it is realized that the able and distinguished new Chairman of the Atomic Energy Commission, Honorable John A. McCone, is a man with extensive shipping interests. Mr. McCone's shipping companies are Joshua Hendy Corp., and Panama Pacific Tankers which are engaged directly or through subsidiaries in the shipping business as owners, charterers and operators of ships under both foreign and American flag. The Hendy vessels are employed in the distribution of chemicals, crude oil and refined petroleum products, and iron ore and bauxite. At the time of his nomination for the Atomic Energy Commission post, Mr. McCone was engaged in a very active partnership with Mr. Mercer, the head of States Marine Lines. According to the August 1958 issue of Fortune:

With Mr. Mercer's support, Mr. McCone had plunged ahead with a plan to make Joshua Hendy one of the most important seagoing ore carriers. Its trade prospered. It was hauling iron ore from Venezuela and Peru, bauxite from Jamaica, and chemicals in the intercoastal trade.

The nomination hearings before the Senate Section of the Joint Committee on Atomic Energy on July 2 of this year do not go into detail except to show that Mr. McCone has divested himself of his control of the two shipping corporations to the extent of placing his stock in them in an irrevocable trust with the trust department of the California Bank of Los Angeles. I have no concern with the arrangements made by Mr. McCone to meet the technical requirements of the law in regard to the difficult problem of avoiding conflicts of interests

faced by so many able and successful businessmen when called to public service. However, the facts concerning the intimate business relationships which have existed between Mr. McCone and Mr. Mercer raise certain obvious questions when we seek to find the answer to the apparently illogical assignment of the nuclear ship *Savannah* to States Marine Lines by the Department of Commerce and the Atomic Energy Commission.

Another recent development seems to shed further light on a picture that becomes more complicated as it is examined. As recently as August 14, 1958, the president of Matson Orient Line, Inc., an applicant for operating subsidy from United States Atlantic ports to the Far East, announced that Matson Navigation Co. and Isthmian Lines, Inc., will each acquire a 50-percent ownership of Matson Orient. Matson Navigation and Isthmian will buy 100 percent of the common stock of Matson Orient, Inc., for \$8½ million, with which Matson Orient then proposes to purchase three vessels from each Matson Navigation and Isthmian with which to commence its new service and will have \$1 million left over as working capital. The officers and directors of Matson Orient Line are also officers or directors of one or more of Matson Navigation Co., Isthmian Lines, Inc., and States Marine Corp. Perhaps this new development explains why Matson Navigation Co., which expressed no interest in operating the *Savannah*, should nevertheless be designated to act with States Marine in the handling of future passenger travel.

Mr. Speaker, even though I have no reason to believe that any law has been violated by the decision of the Secretary of Commerce to select States Marine Lines as operating agent for the nuclear ship *Savannah* in preference to exclusively American-flag lines, which to me are seemingly more logical and qualified, the known circumstances in this matter are of great interest to me and I feel that they must be to the Members of Congress generally.

I do not know whether there was any undue pressure from any source that caused this situation to be brought about; but I can assure you that I intend to follow the future course of arrangements relative to the development and operation of our first nuclear merchant ship with even more intense interest than I heretofore have since I introduced the original authorizing legislation.

There is not now, and I doubt if there ever has been, any Member of this Congress more devoted to the cause of developing and maintaining a strong American-flag merchant marine. The Merchant Marine Act of 1936 is an excellent law if administered properly and carefully. But if it is not, I fear that we might again find ourselves confronted with the disgraceful situation that brought about the Black investigation of 1934 and 1935, with its disclosures of complicated corporate subterfuges and favoritism diverting the purposes of the then existing law which Congress had passed in the hopes of developing an

adequate, stable, and efficient merchant marine to serve the needs of the commerce and defense of this country.

Mr. Speaker, I will watch with interest to see who plucks the plum.

SUPPLEMENTAL APPROPRIATIONS 1959

Mr. CANNON submitted the following conference report and statement on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2686)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 36 and the amendment of the House thereto, and numbered 114, to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment, insert "\$2,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 36.

CLARENCE CANNON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
JOHN TABER,
GERALD R. FORD, Jr.,
FRANK T. BOW,

Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
WILLIAM F. KNOWLAND,

Managers on the Part of the Senate.

STATEMENT

The managers of the part of the House at the further conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CHAPTER VII

Independent Offices

National Aeronautics and Space Administration

Amendment No. 36: Reported in disagreement.

CHAPTER XIII

United States Information Agency

Payment to Informational Media Guaranty Fund

Amendment No. 114: Appropriates \$2,500,000 instead of \$5,000,000 as proposed by the Senate.

CLARENCE CANNON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
JOHN TABER,
GERALD R. FORD, Jr.,
FRANK T. BOW,

Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

The Clerk read the conference report. Mr. CANNON. Mr. Speaker, this report is the result of the further conference with the other body on the supplemental appropriation bill for 1959.

On yesterday the House and the Senate disposed of all other differences on the bill. The report now before the House disposes of the two remaining amendments—Nos. 36 and 114.

Amendment 36 originally provided that in the future, no appropriation could be made to the National Aeronautics and Space Administration unless first authorized by law hereafter enacted. The House on yesterday refused to subscribe to that provision. The Senate further insisted. In the pending report, the managers reach agreement on language limiting the life of the provision to appropriations for any period up to June 30, 1960. Since appropriations for fiscal 1959 are already adopted, the provision will have no practical effect until the next Congress, at which time there will be opportunity to further consider the matter.

Amendment 114 inserted \$5 million for further payment to the informational mediums guaranty fund under supervision of the United States Information Agency. The House had not considered the item and on yesterday, refused to concur. The Senate further insisted. The pending report proposes \$2,500,000 for the item, a compromise of one-half.

Mr. Speaker, the managers would of course have preferred to sustain the will of the House, but as with most proposed legislation, when the other body continues to insist, the only practical solution is compromise. On both amendments, we believe we secured a reasonable compromise.

In conclusion, Mr. Speaker, and by way of summary, the final appropriation totals for the bill in relation to the budget estimates and the House and Senate versions are as follows:

Budget estimates (including some not considered by House)	\$4,081,154.22
House bill	3,131,844.77
Senate bill	3,868,382.77
Conference total (final)	3,697,305.43
Conference total compared to budget estimates	-383,848.79

Mr. Speaker, the final total is a reduction of nearly 10 percent below total budget estimates. And to repeat briefly the statement of yesterday, this bill is more of a regular annual bill than a supplemental bill. It is only incidentally a supplemental bill. Nearly 85 percent of the conference total represents regular annual appropriations for all agencies and activities. And of the abnormally large increase over the House bill, approximately 90 percent represents amounts not considered by the House when the bill was first here.

The SPEAKER. The question is on suspending the rules and agreeing to the conference report.

January 18, 1962

available when a passport is denied, the applicant shall be accorded the right to appear, to be represented by counsel, to present evidence, to be informed of the evidence against him and the source of such evidence, and to confront and cross-examine adverse witnesses. These are the essential elements of due process. Rooted in experience they afford indispensable means toward the rendering of fair and reasonable judgments.

Mr. WALTER wants the Department of State to abandon these procedures. He wants the Department to deny passports to citizens of the United States on the mere say-so of anonymous informers, without allowing the applicant to confront the informers and cross-examine them, without allowing even the officials of the Department to know the identity of the informers. Apart from the fact that the Supreme Court has expressly declared that such procedure is forbidden by the Constitution, it is forbidden by commonsense as well. For decisions based on such evidence are not judgments at all; they are nothing more than capricious and arbitrary guesses.

No one can question Mr. WALTER's zeal to protect American security. But what kind of America will he have made secure if its citizens can be denied constitutional rights and deprived of liberty by the mere whim of administrative officers? We congratulate the Department of State for restoring fairness to its passport procedures. "For," as Judge Charles Fahy put it recently in an essay on "The Right To Travel," "liberty is precious and one may be deprived of it only by methods which are fair and for reasons which are sound and rest on the common good, on a good so great as to outweigh in some circumstances the great good of individual liberty."

Mr. MORSE. Mr. President, I was so moved by the editorial that I saw fit to send a letter to the Attorney General of the United States this morning on the subject of passports because, as Senators know, for years I have taken a very definite position in the Senate in regard to the constitutional questions that have been involved in the passport controversy. I wrote to the Attorney General as follows:

Hon. ROBERT KENNEDY,
Attorney General.

DEAR MR. KENNEDY: This letter is to advise you of my gratification with the regulations you worked out with the Department of State to govern the issuance of passports to persons believed to be Communists. In my opinion, it is long past time for the executive and legislative branches of the Federal Government to observe the provisions of the Constitution which too often are left to the courts alone to protect.

I know from my own experience that this area of domestic security against the Communist conspiracy is one of the most misunderstood issues of the cold war. As you know, after the U.S. Supreme Court ruled that the State Department could not withhold passports in the absence of legislative authority to do so, the previous administration tried to get Congress to pass such legislation. Unfortunately, it also sought congressional sanction of the use of star-chamber methods in determining whether a passport should be withheld.

The use of secret information available only to the official making the decision and denied to the individual who is exercising a given right is nothing but a police-state procedure. Whether the practice is used in connection with passports or any other official matter, it is the earmark of totalitarianism. It certainly is one of the principal abuses of Executive power from which our constitu-

tional forefathers tried to save the American people.

The right to know the identity of an accuser, to know the nature of the accusation, and the right to offer rebuttal are basic to due process of law. It is always astonishing to me that some people would destroy these Constitution guarantees of due process of law in the name of defending the Constitution.

It was for this reason that I opposed this legislation in 1958 and again in 1959. I especially objected to the attempt to rush a bill through the Congress in the closing days of the 85th Congress, with only a few days of hearings. I therefore objected to the holding of hearings while the Senate was in session, and as a result, no final action was taken. It was rather shocking to me that when members of the Foreign Relations Committee proposed legislation authorizing the withholding of passports with proper procedural safeguards, the Department of State declared: "Moreover, the Department must oppose any provision which might require the Secretary to make his determination on a particular passport application only on the basis of information and sources thereof which could be disclosed in open court."

Obviously, to make the determination on any other basis is repugnant to the terms and to the principles of our Constitution. I am pleased that you have now made this perfectly clear. I am also pleased that this battle I waged against police-state methods has been vindicated, and I am so informing Mr. Roger Jones, the Deputy Under Secretary of State for Administration, as well as yourself.

With kindest regards,
Sincerely,

John McConne

WAYNE MORSE

Mr. President, this announced policy of the administration represents a very important contribution to constitutional guarantees on the part of this administration. It is a reaffirmation, with no question of doubt, with no equivocation, that these precious constitutional rights of due process will be respected by this administration. I congratulate the President of the United States that under his administration this very clear and unequivocal position in regard to the passport issue has been announced.

THE CENTRAL INTELLIGENCE AGENCY

Mr. MORSE. Mr. President, I am one who is very much disturbed and concerned about the discussions which have been carried on in the press with respect to the nomination of Mr. McCone as Director of the CIA. I have reached no final determination as to my own position on that nomination, because all the facts are not in. Before I make my final decision, I shall await the hearings before the committee, the report of the committee, and my own analysis of the record as it is finally presented to me as a Member of the Senate.

I do most respectfully say, however, in view of the information which has already been publicized, that the burden of proof is on the administration to justify this nomination. Every shadow of doubt as to the qualification of this nominee ought to be removed.

Mr. President, we are dealing here with an operation of an agency which also gives me great concern as a constitution-

alist. We are dealing here with an agency in which the people do not have very effective checks as of now. We are dealing here with an agency whose operations are conducted in complete secrecy, even so far as the elected representatives of a free people in the Congress of the United States are concerned.

I hold to the point of view that in our Republic the adoption of procedures of complete secrecy are difficult to justify under our constitutional system. I have never been one who holds to the point of view that the CIA should be allowed to operate as it now operates, in complete secrecy with respect to the attaining of knowledge of its actions by the elected representatives of a free people in the parliamentary body in our form of government, which is the Congress of the United States. Why do I say that? I say it as a constitutionalist. I find great difficulty reconciling the granting of such power to the CIA with that basic safeguard of freedom guaranteed to our people by the Constitution known as the check and balance system.

Where is the check on the CIA? Mr. President, do not tell me that the check is to be found in the office of the Presidency of the United States. I speak quite impersonally. It makes no difference to me who occupies the Presidency of the United States when we deal with a question of constitutional power and constitutional guarantees. I say, as I have said before, it is not safe for freedom to grant any agency of government, no matter how much it is attempted to cloak it under the name of security, the unchecked power now vested in the CIA.

Therefore, when the nomination for Director of CIA comes to the floor of the Senate, as long as that unchecked power remains vested in the CIA, it is incumbent upon us to see that the greatest care be exercised by us under the advise and consent clause of the Constitution in respect to that nomination. Unless every shadow of doubt is removed from this nominee as to his qualification, the senior Senator from Oregon will not possibly be able to vote for the confirmation of the nomination.

More than that, I believe that when the nomination is under consideration may be a fitting time to raise this whole question of unchecked CIA power on this side of the aisle. Much has been heard on this side of the aisle in recent years, when a representative of the party of the opposition occupied the White House, in respect to the CIA. As far as I am concerned, these issues are always two-way streets. Therefore, it is incumbent upon the Democratic side of the aisle in the Senate in this session of Congress to take a long, hard look at the question as to whether we are going to continue to permit the CIA to function with unchecked power, so far as the legislative branch of the Government is concerned, which is irreconcilable, in my opinion, with the very precious constitutional guarantee of checks and balances.

Mr. President, do not tell me that it is not safe to permit the elected parliamentary officials of a free people to take a look at the activities of the CIA;

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but that it is perfectly safe to allow a considerable number of unelected people, who never had to meet the challenge of a free ballot box in this Republic—not only on the staff of the CIA, but down in the Pentagon and in the State Department and at the White House staff level—to have knowledge as to the operations of the CIA. It is difficult to justify permitting appointed staff members of the executive branch to have access to CIA information and then say that the elected representatives of a free people must not have access to the activities, the maneuverings and, yes, sometimes, as I am satisfied, and as we already know and the record shows, manipulations in the field of foreign policy by CIA.

With the issue of war and peace so nip and tuck in our time, it is all the more important that we see to it that the check and balance policy of our Constitution be carried out in full.

Therefore the senior Senator from Oregon will continue to support, may I say to my Democratic colleagues—and I hope there will be sufficient Republican support—the passage of legislation in this session of Congress which places a congressional check on the CIA.

The time to consider it is now, when we have before the Senate of the United States the question of the confirmation of the nomination of the head of the CIA.

What are we afraid of? Freedom? What are we afraid of? The constitutional principles of the organic law of this land, which become meaningless if we sacrifice the check and balance system?

I am for as much check on the congressional branch of the Government as I am for a check on the executive branch. However, here in respect to the CIA we have an unchecked executive power that ought to be brought to an end.

We need to keep in mind that foreign policy is not the property of the President. The foreign policy of the United States is the property of the American people—all of them. All the President is, as I have said many times before, is the administrator of the people's foreign policy. I am concerned about being confronted with after-the-fact situations—after the CIA has created problems, as it has in the past—in certain foreign lands, which, in my judgment, have caused embarrassment to the United States. I speak as the chairman of the Subcommittee on Latin American Affairs. It is well known by members of my subcommittee that I am not too happy about some of the manipulations by the CIA in Latin America in times gone by. I think the policies of the CIA ought to be changed. What is wrong with that? What are we afraid of?

Do not tell me, Mr. President, that to preserve freedom, we must adopt the police state methods of communism or fascism. I renounce that theory. However, I see no escape from the premise that if we continue to tolerate the unchecked power of the CIA, we are adopting a police state procedure.

Let the record be clear as to what the operations of the CIA, in part, are. They

deal with the whole question of espionage. They deal with the whole question of spy activity. This is necessary. I have joined in voting millions of dollars for such activities of the CIA and shall continue to do so in the interest of security. However, I only insist upon the exercise of the constitutional right of Congress to check upon the work of that agency, which deals with espionage and spy activities. Apparently we have come to the pass where today it is necessary to have legislation for that purpose. That was not true in the early history of the Republic. What is needed is to review the relationship between Congress and the executive in the early history of the Government. Would we have told Webster or Calhoun, or any of the other great forefathers who trod the carpet of this great parliamentary Chamber, that it was necessary to have legislation to enable the legislative branch of the Government to find out what the executive branch of the Government was doing in some cloak-and-dagger operation somewhere in the world which might very well involve the suffering and the lives of tens upon tens of thousands of American boys? What would Jefferson have said about such an unchecked power at the time of his Presidency? All of these forefathers and many more would have thrown up their hands in horror at the suggestion that this was not an inherent right of Congress, ingrained in our constitutional system. As a matter of right, Congress should know what the CIA is doing, has done, and contemplates doing in connection with its operations in any foreign land.

I am one who believes that in this year of 1962 we may very well determine the whole future, if there is to be one, of the history of the United States.

I say most respectfully to my President—and I use the word in its proper sense—I truly love him for his great statesmanship and leadership. However, I say to my President, from the floor of the Senate today, that the greatest defense weapon which the American people have is the Constitution of the United States, with all the guarantees of procedural rights specifically spelled out and clearly inherent in it, and unanswerably implied, as well. With the utmost respect for the President of the United States, I raise the question: Why continue, under your administration, this unchecked, unreviewable policy of the CIA in the field of foreign policy? It is such unchecked power that can cause a war. Once the war situation is created and the incident has occurred, even though it might constitute a second "sinking of the Maine," there is no question as to what the action of Congress has to be.

We are in a situation in which we shall probably never again see Congress pass a declaration of war prior to the beginning of war. I think the probabilities are much greater that war will have started and that Congress, after the fact, will declare war. That is why this Senator is so much concerned about the unchecked power, exercised by the CIA or any other agency of Government.

So I raise my voice today with this warning, because a full discussion of the facts of the problem should not be avoided in the consideration of the McCone nomination.

I close by saying that I shall make my final decision on the McCone nomination when the whole record is in. But my administration has the burden of proof on that record, because from the objections and such documentation as I have already read, the administration cannot escape that burden of proof. We have been reading in recent days allegations, supported by documentation, which has been offered us for our consideration, but which, I hasten to add, should be subjected to the most thorough cross examination and analysis, in the form of a series of columns written by Drew Pearson. I have referred to Drew Pearson on other occasions, even when he has dipped his pen in my blood, as well as that of other Senators, to be undoubtedly the most able and effective muckraker of our time. But let us also recognize that the muckrakers throughout our history have performed a great public service to the American people. They are needed. Sometimes I think their breed should multiply. Be that as it may, I think the columns of Drew Pearson concerning McCone certainly place upon the administration the burden of proof of answering them, because we are hearing from home about them. What do we read in the letters which come in, as they are coming in to me? "Is this true? Is that true? Is this true about this nominee as I read today or yesterday or the day before yesterday, in a Pearson column?"

I understand that as of January 17, 1962, Mr. Pearson wrote a column on the McCone nomination which was rather heavily edited by clipping shears by many newspapers. By that I mean that his article was not printed in full. I shall offer that column for printing in full at this time.

Mr. President, I ask unanimous consent to have the entire column written by Drew Pearson, and published by the Bell Syndicate on January 17, 1962, printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

JOHN MCCONE DID NOT SELL HIS STOCK WHEN HE BECAME AEC CHAIRMAN—HIS SHIPPING LINES DID PROFITABLE BUSINESS WITH AEC CONTRACTORS—THE LAW DOES NOT PERMIT ANY CHOICE ON CONFLICT OF INTEREST

(By Drew Pearson)

WASHINGTON.—In June 1958, John A. McCone, the new would-be Central Intelligence Chief, wrote a letter to Sherman Adams, later kicked out of Government for a conflict of interest, to see whether he, McCone, might have a conflict of interest as new Chairman of the Atomic Energy Commission.

Ignoring the fact that the Goldfine charges against Adams had not made him the best man to act as judge, McCone listed the Utah Construction Co., Kaiser Engineers, Dow Chemical, Union Carbide as doing large business with the Atomic Energy Commission, and simultaneously doing business with his own privately owned shipping companies.

Significantly, two of these companies, Kaiser and Utah Construction, showed the pattern of business links McCone has kept

with his old associates and war profiteers. McCone was president and a partner with Henry Kaiser and associates in running the California Shipbuilding Co. during the war when they rolled an investment of \$100,000 into an overall profit of \$44 million.

Later, when he was Under Secretary of the Air Force, McCone gave his old partner a quickie Flying Boxcar contract at three times the cost the Air Force was paying Fairchild. Incidentally, Senate hearings conducted by the late Senator Styles Bridges, of New Hampshire, showed that Kaiser and his subsidiaries got a total of \$219,011,919 in Government RFC loans; received \$6,568 million in Government contracts, and got approximately half a billion dollars in quickie tax writeoffs.

BIG AEC CONTRACTORS

Kaiser has also been one of the biggest contractors with the Atomic Energy Commission including the period when Kaiser's old partner, John McCone, was AEC Chairman.

The company which operates under the all-inclusive name of Utah Construction Co. is also part-owned by Kaiser and actually is a big seller of uranium to the AEC through its subsidiary, Lucky Mc Uranium Corp.

Union Carbide is one of the biggest contractors with the Atomic Energy Commission. It not only sells uranium to the AEC, but operates AEC Plants at Oak Ridge, Tenn., and Paducah, Ky. Both Union Carbide and the Kaiser interests benefited from the AEC's decision not to buy uranium from "underdeveloped countries." This obviously played into the hands of established American companies such as Union Carbide and Kaiser.

Yet McCone, before he became Chairman of the AEC in 1958, admitted that his personally owned shipping line, Joshua Hendy, handled "intercoastal and coastwise transportation of chemicals, transports products for Union Carbide, Dow Chemical, Standard Oil of New Jersey, Standard Oil of California, and others."

"I have some business relationships with Kaiser," he also testified, "inasmuch as a jointly owned company, 25 percent of which is owned by Hendy and 50 percent by Kaiser Aluminum, has a long-range contract to transport Kaiser's bauxite."

"Would your firm continue to deal with these firms in the atomic energy field, such as Union Carbide?" asked Senator CLINT ANDERSON of New Mexico.

"Yes, I would expect they would continue," replied the future AEC Chairman.

"Union Carbide is a large customer of Hendy's" ANDERSON reminded him.

"Yes, they are," McCone agreed.

ADAMS GIVES HIS OK

However, he insisted that placing the stock of his shipping companies in trust with the Bank of California, in which he is also a stockholder, cleared him of any conflict of interest. This left him, however, with the profits which would accrue from the contracts his shipping companies made from Union Carbide, Kaiser, and the other firms which did business with the AEC of which he was Chairman. In other words, while he was AEC Chairman, his shipping companies would benefit from business with AEC contractors.

On the basis of this, Sherman Adams, that great judge of conflict of interest, OK'd the arrangement; and the Senate, diverted by the Sherman Adams-Goldfine headlines, also OK'd it and confirmed McCone as AEC Chairman.

However, now that McCone is coming up for another, even more important, post, head of Central Intelligence, the Senate might take time to review the record and study the law.

The conflict-of-interest law gives no choice either to McCone or to the Senate.

McCone said he had done "A great deal of soul-searching" and had concluded he could handle the AEC Chairmanship without any favoritism. However, the AEC law does not permit a man to search his soul and make the decision. The law makes the decision for him. It gives no alternatives other than get out of any conflict with private business interests.

"No member of the commission," it reads, "shall engage in any business, vocation, or employment other than that of serving as a member of the commission."

The law was passed not to be rationalized after soul-searching, but to make sure that men like McCone did not serve on this powerful commission with the power to make tremendous profits for certain companies, unless they gave up their stock in the companies which benefited. This McCone did not do, and in an early column, one significant result affecting McCone's private shipping line will be reported.

Mr. MORSE. Mr. President, I say to my administration: Take a look at it. I want to know what the answers to it are. If those charges cannot be supported with facts, I want to know it. If the charges can be supported with facts, I do not see how I could possibly vote in favor of confirmation of the nomination.

Mr. President, I have taken the time to discuss the nomination in the entire framework of CIA power because I do not believe the two can be separated. I ask my administration to take another look at the question of whether this is the time for Congress to pass legislation setting up what frequently has been described as a congressional watchdog committee, with authority to find out, in behalf of the American people—which I believe is a constitutional obligation of the Congress—the facts about the CIA operations the world around.

UNITED STATES IN A CHANGING WORLD OF TRADE; RIGHTWING RETREAT FROM FREEDOM

MR. MORSE. Mr. President: I shall ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, two very interesting leaflets issued by what I consider to be a very effective lay educational organization in the country, one which is on a footing, in my judgment, with another great lay organization, the League of Women Voters, which is also a great study group. The National Council of Jewish Women is another of the great lay educational organizations, and I believe it carries out rather well the observations, published yesterday in the New York Times, in an article written by James Reston, in connection with the duty of the women of America to proceed immediately to take a careful look at some of the great public issues which confront the Congress, and to be heard from, as is not only their right, but also, I believe, is their duty.

So I ask unanimous consent that if the article written by James Reston has not already been ordered printed in the RECORD, it be ordered printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 17, 1962]

HOW TO SAVE KENNEDY FROM CONGRESS (By James Reston)

WASHINGTON, January 16.—President Kennedy has started the new year by emphasizing the importance of improving the education of the American people, but it is the theme of this epistle that he won't get very far unless the women of the country come to his rescue.

What the President wants is to stamp out illiteracy (beginning presumably in the Congress and the press) and get through a program of Federal aid for public school construction, teachers' salaries, and college buildings and scholarships, with special emphasis on the training of scientists, engineers and technicians.

It is a demonstrable fact that we cannot control the scientists, engineers and technicians we already have and therefore need more philosophers, teachers, diplomats and nonatomic statesmen, but let that go for the minute. The point is that the President is ringing the school bell again, and needs help.

He is not likely to get much from the politicians. His bill to aid the colleges is in pretty good shape, but his general bill to help the public schools is hopelessly lost in a tangle of political and religious controversies. Somehow the present angry dialog has to be changed. Somebody has to find a new way to get around old men and old problems, and since women have been doing precisely that for several thousand years, why not pass the problem to them?

THE MUFFLED FACTS

The difficulty at the moment is that the facts have been obscured in a torrent of emotional arguments over Federal aid leading to Federal control of the classrooms; over the constitutionality of giving Federal funds to parochial schools; over racial integration in the public schools, and over State and local rights.

These are the things that have dominated the news of the education debate for years. By the time the story of the President's education bills gets out over the news wires into most local communities it is usually a report of conflict between Republican versus Democrat, North versus South, public versus parochial schools, Federal versus State or local control. There are exceptions, but this is the shorthand of it.

The question is whether there is a way to get the whole problem of modern education discussed calmly in all the communities of the country, large and small, not only the emotional, religious, racial, regional, political, and constitutional issues, all of which are important, but the facts as well.

The growth of the population is a fact. The shortage of classrooms and teachers is a fact. The replacement of unskilled labor by automatic machinery is a fact. The movement of kids from poorly educated communities into the competition of highly educated urban communities is a fact. Finally, the educational need of the Nation in the cold war is a very solemn fact.

From the days of the frontier in this country, the women have been civilizing their men and educating their kids (when they could catch them). In the little town, it is the women who have organized and attended the monthly book clubs and tried to cultivate the baboons they married and bring a little gentility into the house. In the larger cities in more recent years, it is the women again who have run the world affairs councils and brought the poets and lecturers to the community.

HOW TO DO IT

The educated women who are bored with the old man's lockerroom, barroom, and commercial shoptalk are the greatest unused natural resource in this country today.

gm
August 31, 1962

Honorable John A. McCone
Director
Central Intelligence Agency
Washington 25, D. C.

My dear Mr. McCone:

I have learned of your recent marriage and want to extend my heartiest congratulations to you and best wishes to your wife. It is my hope that the future will bring every possible happiness to both of you.

With kind regards,

Sincerely yours,
L. Edgar Hoover

NOTE: We have enjoyed cordial correspondence with Mr. McCone. Our last letter to him congratulated him on becoming Director of CIA.

RVA:bsw
(3)

ENCLOSURE

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EX-116

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HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

432859

JOHN ALEX McCONE
3025 WHITEHAVEN STREET
WASHINGTON 8, D. C.

20 September 1962

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Mr. Belmont	<input checked="" type="checkbox"/>
Mr. Mohr	<input type="checkbox"/>
Mr. Callahan	<input type="checkbox"/>
Mr. Conrad	<input checked="" type="checkbox"/>
Mr. DeLoach	<input checked="" type="checkbox"/>
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Mr. Malone	<input type="checkbox"/>
Mr. Rosen	<input checked="" type="checkbox"/>
Mr. Sullivan	<input checked="" type="checkbox"/>
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Miss Gandy	<input type="checkbox"/>

ALL INFORMATION CONTAINED
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DATE 3-22-02 BY SP4 BJA/DFW
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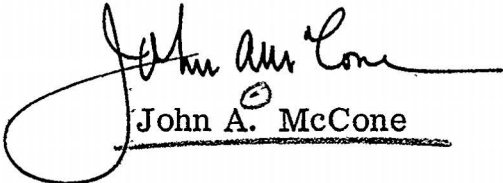
Dear Mr. Hoover:

How kind of you to take time to extend your
congratulations to me and Theiline.

We will return shortly from our trip to
Europe which has been a wonderfully happy time
for both of us.

Also, I wish to express my deep appreciation
for all your help to me, personally, during these
past months. I will look forward to seeing you
on my return.

Yours sincerely,

no reply

John A. McCone

The Honorable J. Edgar Hoover
Director, Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

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EX 104

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SEP 21 1962

RECORDED 9/21/62

THE WHITE HOUSE

WASHINGTON

January 9, 1963

Dear Mr. Chairman:

I wish to express to you, the members of the United States Intelligence Board, and to the individual members of the intelligence agencies my deep and sincere appreciation for your outstanding service to our Nation -- and the Free World -- during the recent international crisis.

In the course of the past few months I have had occasion to again observe the extraordinary accomplishments of our intelligence community, and I have been singularly impressed with the overall professional excellence, selfless devotion to duty, resourcefulness and initiative manifested in the work of this group. The fact that we had timely and accurate information, skillfully analyzed and clearly presented, to guide us in our judgments during this crisis is, I believe, the greatest tribute to the effectiveness of these individuals and agencies. The magnitude of their contribution can be measured, in part, by the fact that the peace was sustained during a most critical time.

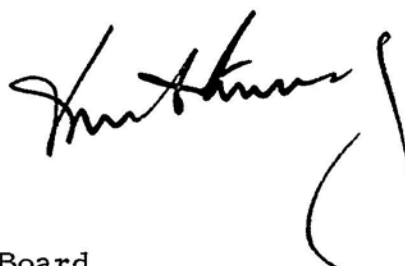
It is, of course, a great source of strength to me to know that we have such dedicated and skilled men and women in the service of our Nation in these times of peril. Although I cannot personally commend each member of the intelligence community for their individual efforts, I would like you to convey to them, through the members of the United States Intelligence Board, my personal word of commendation, my deep admiration for their achievements, and the appreciation of a grateful Nation.

ALL THE INFORMATION CONTAINED

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DATE 3-21-01 BY SP9 BJA/DFW

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The Honorable John A. McCone
Chairman, United States Intelligence Board

ENCLOSURE

161-1709-65

FOR OFFICIAL USE ONLY
UNITED STATES INTELLIGENCE BOARD

OFFICE OF THE CHAIRMAN

22 January 1963

Dear Mr. Belmont:

In the accompanying letter, the President asks me to express to you as a member of the United States Intelligence Board and to your intelligence colleagues not only his commendation, but the appreciation of our Nation for the exceptional effort and gratifying results attained during the crisis we recently faced. In our profession, such thoughts are not often presented to us in a way that permits us to convey them to those whose professional competence and dedication continue despite crises and emergencies.

Therefore, I ask that you inform the members of your organization of the President's commendation for the service they have rendered our Nation. In addition, please also accept my appreciation for the contribution you and your associates have made toward accomplishing the responsibilities placed on me.

It is my sincere wish that the President's approbation be made known to all who participated in our recent period of trial, but in such manner that it becomes a personal compliment to each, rather than a matter of public announcement. Your cooperation in assuring that the President's message receives the privileged handling required of such a communication will be greatly appreciated.

Sincerely,

SIGNED

John A. McCone
Chairman

Mr. Alan H. Belmont
Assistant to the Director
Federal Bureau of Investigation

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DATE 13-32-92 BY SP4BJA/DFW

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FOR OFFICIAL USE ONLY

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ENCLOSURE

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THE DIRECTOR OF CENTRAL INTELLIGENCE

The Honorable J. Edgar Hoover
Director, Federal Bureau of Investigation
Washington 25, D. C.

Dear Mr. Director:

I believe that it will be a matter of special personal interest to you to note the attached citations presented by the President to members of the intelligence community for their performance during the Cuban crisis.

As Director of Central Intelligence it was my pleasant duty to present to your representative on the United States Intelligence Board a citation for services rendered.

I am sure it is a source of pride to you to have such recognition accorded to your intelligence representatives and I wish by this letter to add my own personal note to that effect.

Sincerely,

John A. McCone

John A. McCone

26 January 1963

John A. McCone
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ST-113

January 31, 1963

REC-13

Honorable John A. McCone
Director
Central Intelligence Agency
Washington 25, D. C.

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HEREIN IS UNCLASSIFIED
DATE 3-22-82 BY SP4BJA/DFW
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Dear Mr. McCone:

I want to thank you for your thoughtful

letter of January 26th and the attached enclosures. We are grateful that this Bureau had the opportunity to participate in an action of such monumental importance to our Nation. All of us in the FBI take considerable pride in the recognition accorded by the President to Assistant to the Director Alan H. Belmont and our other associates who assisted him.

Sincerely yours,

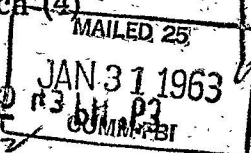
J. Edgar Hoover

1 - Mr. Alan H. Belmont - Enclosures (2)

NOTE: Reference card regarding McCone maintained in Crime Research Section, Crime Records Division.

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OFFICE OF DIRECTOR
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

MR. TOLSON ☒
MR. BELMONT ☒
MR. MOHR ☒
MR. T. SPER ☒
MR. CALLAHAN ☒
MR. CONRAD ☒
MR. DELOACH ☒
MR. EVANS ☒
MR. GALE ☒
MR. ROSEN ☒
MR. SULLIVAN ☒
MR. TAVEL ☒
MR. TROTTER ☒
MR. JONES ☒
TELE. ROOM ☒
MISS HOLMES ☒
MRS. METCALF ☒
MISS GANDY ☒

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UNITED STATES GOVERNMENT

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TO : Mr. W. C. Sullivan

DATE: April 12, 1963

FROM : D. J. Brennan

SUBJECT: ~~MRS. JOHN J. MC CONE~~
~~MRS. PAUL PIGOTT~~
~~JUDITH PIGOTT~~
~~MARY PIGOTT~~
 CENTRAL INTELLIGENCE AGENCY
 REQUEST FOR BUREAU TOUR

b3 per CIA

[] Central Intelligence Agency (CIA), contacted the Liaison Agent at 10:00 a.m. and inquired if a tour of the Bureau could be arranged for Mrs. McCone, the wife of the CIA Director, and for Mrs. Paul Pigott and her two daughters, age 12 and age 14. Mrs. Pigott is the widow of Paul Pigott, a son from Mrs. McCone's first marriage. He was killed in an automobile accident several months ago.

John Arrangements have been made for a tour at 2:30 today. The visitors will be met in the Director's reception room at that time. The Director's office has been advised concerning this matter.

ACTION:

For information.

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Miss Holmes
- 1 - Mr. M. A. Jones
- 1 - Tour Room
- 1 - Liaison
- 1 - Mr. Papich

SJP:mlp
 (8)

REC-50

161-1709-66
112 APR 15 1963

ALL INFORMATION CONTAINED

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DATE 3-22-02 BY SP4 BJA/DPW

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APR 19 1963

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RA **Memorandum**

TO : Mr. Callahan

DATE: April 15, 1963

FROM : C. R. Davidson *CRD*

SUBJECT: MRS. JOHN *Y* MC CONE
 MRS. PAUL *Y* PIGOTT } *D.C.*
 JUDITH *Y* PIGOTT } *Wash.*
 MARY *Y* PIGOTT }
 CENTRAL INTELLIGENCE AGENCY (CIA)
 BUREAU TOUR

At 2:30 p.m. on 4-12-63 SA Edward S. Miller of the Administrative Division met Mrs. Paul Pigott and her two daughters, Judith and Mary, in the Director's reception room where Mrs. John J. McCone, wife of the Director of CIA, had left them.

Subsequently, Mrs. Pigott and her daughters were taken on a tour of the Bureau's facilities which they seemed to enjoy very much. The Pigotts are from Bellingham, Washington, and Mrs. Pigott stated that they had been taken on a tour of CIA facilities but that her two daughters insisted before leaving Washington that they visit the FBI, which, of course, they had heard a great deal about during their young lives.

ACTION:

None, for information.

ESM:jms

(5)

- 1 - Mr. Sullivan
 1 - Miss Holmes
 1 - Tour Room

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/AFW

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54 APR 24 1963

161-1709-67

11 APR 19 1963

UNITED STATES GOVERNMENT

Memorandum

TO : W. C. SULLIVAN *WCS*

DATE: April 26, 1963

FROM : D. J. BRENNAN *DB*SUBJECT: JOHN MC CONE, DIRECTOR
CENTRAL INTELLIGENCE AGENCY (CIA)

V. J. Brennan

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McCone was scheduled to leave Washington, D. C., April 25, 1963, for a visit of several days which will include stops in Rome, Italy, and Bonn, Germany. As previously advised, one of the main items of business in Rome will be an effort on the part of McCone to obtain a better picture of the Vatican's current policies toward Russia and communism. McCone also will be meeting with chiefs of CIA stations in Europe and Africa.

The above information should not be disseminated outside the Bureau.

ACTION:

For information.

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Liaison
- 1 - Mr. Papich

SJP:gp *gp* (5)

EX-120

REC-91

161-1709-68

9 APR 30 1963

CC MR. TOLSON

63 MAY 2 1963

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HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: May 20, 1963

ST FROM : C. A. Evans
phALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
4432859SUBJECT: CENTRAL INTELLIGENCE AGENCY (CIA)
DIRECTOR JOHN MC CONE

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The Attorney General was contacted this afternoon, May 20, 1963, at his request. On arrival in his office, the Attorney General had with him CIA Director McCone. He said that McCone had taken up with him a matter relating to the FBI, which he would like to have Mr. McCone relate to me. I interrupted to say that while I was generally familiar with the matter I believed Mr. McCone had in mind, I would be happy to listen to anything that McCone wanted to say.

McCone then related the same story he previously told Belmont with reference to matters advanced by CIA before the President's Foreign Intelligence Advisory Board. It is recalled that we had been contacted by CIA and told that McCone had advocated across the board technical coverage of diplomatic establishments in the United States and the adoption of Russian tactics in compromising foreign diplomats. McCone contended that Belmont had falsely assumed that McCone had advanced these ideas.

McCone was told that there wasn't any false assumption; that ranking officials of his organization had told us this was what McCone had done. Using the same tactic he did with Belmont last week, McCone tried to divorce himself from responsibility for CIA and contended that Belmont should have taken this up with him personally, since they saw each other weekly at the United States Intelligence Board Meetings. I again told McCone we were entitled to rely on statements made by ranking officials of CIA.

McCone passed this by and took up the letters we had sent the Attorney General and O'Donnell at the White House, which he said did not reflect his personal position or what he had actually presented to the President's Foreign Intelligence Advisory Board. I again told McCone

1 - Mr. Sullivan

MAY 27 1963

CAE:vap

(5)

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NOT RECORDED
MAY 27 1963

LIAISON

ORIGINAL FILED IN 62-81750-400

Memorandum to Mr. Belmont

the letters reflected what his officials had told us were the facts and stood on that basis. McCone consistently referred to these letters as "Belmont's letters," which I corrected by saying that the letters were official communications from the FBI.

As obviously this discussion wasn't getting anywhere, the Attorney General interrupted to say he thought it would be best if these matters could be worked out without having to involve either him or the President.

McCone said that while his discussion with Belmont had been a heated one, nevertheless something constructive was coming out of it. He noted that he had raised with Belmont the need for CIA to know what technical coverage the FBI had in the diplomatic field; that CIA should be able to suggest to the FBI certain technical coverage predicated upon information being developed abroad by CIA; and that to assist in proper evaluation the FBI would identify certain information as having come from technical sources. I told Mr. McCone it was my understanding that some matters of this type had been raised and these were being considered.

This terminated the conversation.

It is noted that the Attorney General had had McCone over to his office for lunch, and it would appear that McCone used this opportunity to try and sell his views to the Attorney General.

only in
selected instances where
CIA has a definite interest
& need to know

V. K. Mc

S

I regret learning that for
years CIA has just played
down with us & under the
eye of its own nose. I
hope some of our people
who have been for CIA
will ultimately realize
this.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont *Wor* DATE: June 17, 1963

FROM : C. A. Evans *E*

SUBJECT: CIA DIRECTOR JOHN MC CONE *EB (7-)*

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ssa

In talking with Kenneth O'Donnell of the White House over the weekend, he told me of a conversation he had had with the President in the last few days, at which time the President indicated rather extreme dissatisfaction with the way CIA is being run. The only specific information advanced was that not only did CIA not produce, but Director John McCone was more interested in "protecting his flanks" and keeping the record favorable than getting down to the tough problems which must be solved if CIA is ever to operate efficiently.

EB (7-)
WJ B...

CAE:vap
 (7)

- 1 - Mr. Sullivan
- 1 - Mr. Papich
- 1 - Liaison Section

161-1709-70
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 176 JUN 26 1963

ALL INFORMATION CONTAINED
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56 JUN 28 1963

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UNITED STATES GOVERNMENT

Memorandum

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TO : Mr. W. C. Sullivan

DATE: 11/21/64

FROM : R. W. Smith

John McCone

SUBJECT: TELEPHONE CALL TO DIRECTOR'S OFFICE
RE DELIVERY OF FLOWERS FOR A MR. MC CONE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
#432859

DC
SA C. J. Vizas, Duty Agent in Mr. Sullivan's Office, on 11/21/64 by referral from the Director's Office spoke to Mr. Frank Prevail of the J. H. Small and Sons' Florists, Dupont Circle, Washington, D. C., telephone number DU 7-7000. Call received at 10:30 a.m.

Mr. Prevail advised his shop had received a telegraphic order from Englewood, New Jersey, to deliver some roses to a Mr. McCone, in care of J. Edgar Hoover's Office, Law Enforcement Department, Washington, D. C. Mr. Prevail desired to know if there was a Mr. McCone assigned to Mr. Hoover's Office to whom the flowers could be delivered. Mr. Prevail was advised there was no Mr. McCone assigned to Bureau Headquarters and that no flowers should be delivered to FBI Headquarters for any Mr. McCone. Mr. Prevail desired to know if there could be some mistake and that the flowers were intended for Mr. McCone, Director of CIA. Mr. Prevail was advised that he could make direct inquiry of CIA to determine if there were any flowers scheduled to be delivered to the Director of CIA. The sender of the flowers was unknown to Mr. Prevail. He indicated that he would contact Englewood, New Jersey, in effort to clarify this matter. *B*

ACTION:

For information.

CJV:jac (6)

- 1-Director's Office
- 1-Mr. Belmont
- 1-Mr. Sullivan
- 1-Mr. R.W. Smith
- 1-Mr. Vizas

REC-44 161-1709-71

5 NOV 25 1964

EX-114

CRIME RESEARCH

341
56 DEC 2 1964

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 06-12-2013
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UNITED STATES GOVERNMENT

Memorandum

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TO: Mr. DeLoach

DATE: 10-10-64

FROM: M. A. Jones

SUBJECT: JOHN A. McCONE, DIRECTOR
CENTRAL INTELLIGENCE AGENCY
TO MEET DIRECTOR AT 3:30 P. M.,
MONDAY, OCTOBER 12, 1964

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DECLASSIFY ON: 25X
11432859

BACKGROUND:

The Director has agreed to see John A. McCone, Director of the Central Intelligence Agency (CIA) at 3:30 p. m., Monday, October 12, 1964. The appointment was made at the request of John McCone whose desires to see the Director were transmitted through our Liaison Agent. This request was contained in a memo from Mr. Brennan to Assistant Director Sullivan dated 10-8-64, wherein it was indicated that McCone undoubtedly wanted to see the Director regarding information received from Anatoliy Golitzyn, a Soviet KGB defector. McCone had a lengthy meeting with Golitzyn on 10-3-64. The Director has requested a short memo on Golitzyn and this is being handled by the Domestic Intelligence Division. In Brennan's memo of 10-8-64, it was further pointed out that as an incidental matter McCone might make a passing reference to the fact that CIA officials, including McCone, were allegedly alarmed when McCone's testimony before the Warren Commission was recently publicized by Jerry O'Leary of "The Evening Star." The CIA had received a report from an unidentified source that the FBI had furnished the Director's and McCone's testimony to O'Leary. It is noted that the Agency has not brought this matter up for any official discussion with our Liaison Agent. There are a number of references in Bufiles to John A. McCone and set forth below is a brief resume of information from our main files concerning him.

BIOGRAPHICAL DATA:

John A. McCone was born 1-4-02 at San Francisco, California, and received his Bachelor of Science degree in 1922, from the University of California at Berkeley. He has had various business interests in California which include, among others, the California Shipbuilding Corporation (President), Pacific Far East Lines (Chairman of the Board), Pacific Tankers Corporation (Chairman of the Board), Joshua Hendry Ironworks (President and Chairman of the Board), and organizer and President of the Bechtel-McCone Engineering Company in Los Angeles.

- 1 - Mr. Tolson
- 1 - Miss Holmes
- 1 - Mr. Belmont
- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Liaison Section

ELC:ems (8)

NOT RECORDED
102 NOV 18 1964

CONTINUED - OVER

Jones to DeLoach Memorandum
Re: John A. McCone, Director

INFORMATION IN BUFILES:

Applicant type investigations were conducted concerning McCone in 1947-1948, 1950-1951, 1954, 1958 and in 1961, the Kennedy Administration requested the investigation of McCone be brought up to date. No derogatory information was developed as a result of these investigations as to McCone's loyalty or character. Information was developed, however, that McCone allegedly showed favoritism or personal interest in awarding a 190 million dollar aircraft contract in 1957 to the Kaiser-Frazer Corporation. The allegation was refuted by prominent individuals in possession of knowledge concerning this. Allegations that McCone was involved in the illegal or unethical purchase of surplus vessels from the U. S. Government were also refuted during the investigation. (S)

Gordon Gray, Special Assistant to the President during the Eisenhower Administration, advised on 8-16-60, confidentially, that McCone was reportedly "easy" with the press. He had received information that McCone had associated in the past with Walter Lippman, Joseph Alsop, and was acquainted with Arthur Krock of "The New York Times." (S)

McCone's contacts with the Bureau have not been extensive; however, Bufiles indicate a cordial relationship has existed. In January, 1962, the Senate confirmed McCone as Director of the CIA. On 8-31-62, the Director congratulated McCone on his marriage to Mrs. Paul Pigott, widow of a Seattle industrialist. (S)

By letter dated 1-31-63, the Director thanked McCone for his letter enclosing citations presented by the President to the members of the Intelligence Committee for their performance during the Cuban Crisis. (S)

A memo from Mr. Evans to Mr. Belmont of 5-20-63 set forth a meeting in the Attorney General's Office where Evans and McCone were present and which concerned matters advanced by the CIA before the President's Foreign Intelligence Advisory Board. McCone had advocated across-the-board technical coverage of diplomatic establishments in the United States and adoption of Russian tactics in compromising foreign diplomats. McCone claimed that Mr. Belmont has falsely assumed that McCone had advanced these ideas. The Director noted on this memo "I regret observing that for years CIA has not played clean with us and under McCone it is even worse. I hope some of our people who have been pro-CIA will ultimately realize it." As the Director has indicated, there have been some instances in our files of "double dealing" on the part of CIA such as the situation regarding Lee Harvey Oswald's activities in Mexico City wherein McCone allegedly informed Congressman Ford that CIA had uncovered a plot in Mexico City indicating that Lee Harvey Oswald had received \$6,500 to assassinate President Kennedy. (S)

RECOMMENDATION:

For the Director's information.

~~ALL INFORMATION ON THIS
PAGE IS CLASSIFIED (S)
UNLESS INDICATED OTHERWISE~~

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Sister of B-5 CIA's McCone Dies in Calif.

Alicia McCone, 66, sister of John A. McCone, U.S. Central Intelligence Agency director, died yesterday in San Bernardino, Calif., following heart surgery. McCone was at her bedside.

Miss McCone, a native and life-long resident of California, was a graduate of Immaculate Heart College and the University of California at Berkeley, where she majored in chemistry and animal husbandry. For the past 20 years, she had operated a ranch near Riverside.

Besides her brother she is survived by two sisters, both of California.

DUPE

The Washington Post and B-5
 Times Herald _____
 The Washington Daily News _____
 The Evening Star _____
 New York Herald Tribune _____
 New York Journal-American _____
 New York Daily News _____
 New York Post _____
 The New York Times _____
 The Baltimore Sun _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal _____
 The National Observer _____
 People's World _____
 Date _____

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEW

11432859

encl

ACK 3-4-65

Cyp/asp

161-1709-72

ENCLOSURE

MAR 4 1965

March 4, 1965

Honorable John A. McCone
Director
Central Intelligence Agency
Washington, D. C. 20505

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
II 432859

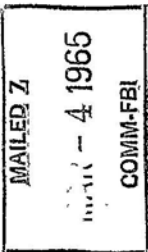
Dear Mr. McCone:

I was indeed sorry to learn of the
passing of your sister, and I hasten to send you my
deepest sympathy. I realize there is little I can
say to ease your grief, but perhaps you will gain
some consolation from knowing that the thoughts of
your many friends in the FBI are with you at this time.

Sincerely yours,

J. Edgar Hoover

MAR 4 1 41 PM '65
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CJJ:rsp (4)

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ENCLOSURE
(clipping)
102

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REC-32
709-72
MAR 5 1965
J. Edgar Hoover

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. W. C. Sullivan *JS*

FROM : Mr. D. J. Brennan, Jr. *DB*

SUBJECT: JOHN A. MC CONE, DIRECTOR,
CENTRAL INTELLIGENCE AGENCY

DATE: 3/1/65

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Information developed by the Liaison Agent at CIA indicates that McCone has been pressing for an early resignation from his job. He allegedly has been asked by the President to hold on until approximately 5/1/65. The impression left at CIA is that the White House is experiencing problems in selecting a successor.

ACTION:

For information.

1 - Mr. Belmont
1 - Mr. Sullivan
1 - Liaison
1 - Mr. Papich
SJP:chs
(5) *chs*

REC-32

61-1709-73

18 MAR 5 1965

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW
1432859

67 MAR 9 1965 =15

JOHN ALEX MCCONE
3025 WHITEHAVEN STREET, N. W.
WASHINGTON 8, D. C.

10 March 1965

Mr. Tolson	
Mr. Belmont	
Mr. Mohr	
Mr. DeLoach	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

Dear Mr. Hoover:

How thoughtful it was of you to write concerning the recent loss of my sister. Her passing brought deep sadness to me and to the family. However, we take consolation in knowing that everything that could possibly be done for her was done. Her heart, which had troubled her throughout her lifetime, finally gave up despite the efforts of her doctors.

You were thoughtful indeed to offer your sympathy which both Theiline and I appreciate.

Since my tenure as Director of the Central Intelligence Agency is drawing to a close, I would like to take this opportunity to thank you personally for the excellent cooperation which you and your organization have afforded to me and to C.I.A. during my term of office. The close working arrangements between our two working organizations is a source of great satisfaction to me, and I am sure it reflects your own policy direction, which I very much appreciate.

Yours most sincerely,

John Alex McCone
John A. McCone

The Honorable J. Edgar Hoover
Director
Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

58 MAR 23 1965

EXP. PROC.

MAR 11 1965

MAR 17 1965

5 MAR 17 1965

PERS. REC. UNIT

UNRECORDED COPY FILED IN 62-90750-1

112
REC-16
61-1709-74
MAR 17 1965
PERS. REC. UNIT

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. W. C. Sullivan

DATE: 3/12/65

FROM : Mr. D. J. Brennan, Jr.

SUBJECT: CENTRAL INTELLIGENCE AGENCY (CIA)

As of 3/11/65, rumors concerning McCone's imminent departure from CIA have been "hot and heavy" among top CIA officials. Nobody in the Agency appears to have any specific information regarding the identity of McCone's successor. The individual whose name is receiving more attention than others in the discussions at CIA is General Maxwell D. Taylor. Stories continue to circulate that the President may select somebody from CIA ranks such as Richard Helms, Lyman Kirkpatrick, Ray Cline, or Desmond Fitzgerald. McCone allegedly has made it very clear that he cannot delay and that he wants to leave as soon as possible. Last week he communicated with McGeorge Bundy and asked that the matter be brought to a head.

ACTION:

For information.

- 1 - Mr. Belmont
 - 1 - Mr. Sullivan
 - 1 - Liaison
 - 1 - Mr. Papich
- SJP:chs
(5)

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161-1709-75
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145 MAR 24 1965

ALL INFORMATION CONTAINED
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DATE 3-22-82 BY SP4 BJA/DFW
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8 MAR 24 1965

60 MAR 31 1965

ORIGINAL FILED IN 100-80750-4288

March 18, 1965

MR. TOLSON:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BTA/DFW
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Mr. Tolson ☒
Mr. Belmont ☒
Mr. Mohr ☒
Mr. DeLoach ☒
Mr. Casper ☐
Mr. Callahan ☐
Mr. Conrad ☐
Mr. Felt ☒
Mr. Gale ☒
Mr. Rosen ☒
Mr. Sullivan ☐
Mr. Tavel ☐
Mr. Trotter ☐
Tele. Room ☐
Miss Holmes ☐
Miss Gandy ☐

The President asked me to see him at approximately 7:00 p.m. last night. While in his office he brought up several subjects of interest.

The President first discussed the special inquiry investigation on George Joseph Feldman. Feldman contributed heavily to the campaign. Speaker John McCormack is pressuring the President heavily to make Feldman the Ambassador to Australia. Feldman and John McCone of CIA are close personal friends. Our investigation on Feldman reflected that he was somewhat of a weakling, his wife was a nymphomaniac and most certainly, mostly due to his wife and her promiscuous ways, Feldman would not be a good Ambassador.

The President told me that John McCone had become very incensed over the FBI's investigative report. The President had shown McCone our report. McCone claims that the FBI interviewed "biased" individuals. He told the President that Mrs. Feldman is not sexually promiscuous.

The President asked that I take the investigative report back to FBI Headquarters and examine it carefully to see if additional investigation might be conducted which might clear this matter up. I told the President that we, of course, would do this, however, in our minds there was no question as to Mrs. Feldman's activities. I told the President that the record was very clear in this regard. He admitted this might be true but stated he had to do something in order to shut McCone up. He stated also he had to present a very good case to Speaker McCormack.

The next topic of conversation concerned the leak of information regarding Kermit Gordon, Director of the Bureau of the Budget, being made Secretary of the Treasury. I told the President that the Director wanted me to show him, in strict confidence, a copy of a letterhead memorandum from the Treasury Department to Wauhillion McHay, a Scripps-Howard reporter currently assigned to the Washington "Daily News." I told the President this Treasury Department memorandum had been found by a close contact and source of the FBI's in the desk of Miss McHay at the "Daily News." The President eagerly grabbed the memorandum exhibited to him and stated he would take care of the matter from then on. He put this memorandum in his desk drawer.

CDD:dgs

(2)
64 APR 15 1965

News Cleveland
to Laska 3-19-65
WJH

CONTINUED-OVER
25 APR 6 1965

Informal Memo to Mr. Tolson, 3/18/65

We next discussed the special inquiry investigation and report concerning [redacted] I told the President that he had asked me to personally hold this report until he called me to discuss the matter. I gave the President the report in question. He read it in its entirety. He made reference to the cover memorandum which reflected that he at one time had invited [redacted] to the LBJ Ranch. He stated that on one occasion he had invited [redacted] to ride horses at the ranch. He mentioned that other than this young woman bringing in news clips to him, this was the only time that he had had contact with her. He stated it could very well be true that [redacted] b6 b7C

[redacted] the Kennedy Administration, up to and including the late President. He mentioned that all this had been taken care of, however, inasmuch as [redacted] was leaving next week for a foreign assignment with the Department of State. The President added that Malcolm Kilduff, Assistant Press Secretary, would also be leaving in the next several days. He described Kilduff as a "drunk" and indicated that he was of no help to George Reedy. The President told me that the press is "beating George's brains out" and that he just had to get somebody that could be of assistance to him.

The President next mentioned the possibility of bringing in Don Wilson, Deputy Director of the United States Information Agency. He stated that he had particularly noted in conferences that Wilson was very objective in his statements and did not try to go overboard in conversation. The President gave the opinion that Wilson might make a very good assistant to George Reedy. He added that there was only one drawback, that being the fact that Wilson was reported to be a close friend of Bobby Kennedy's. The President stated he did not want Wilson in the capacity as Assistant Secretary if the report concerning his relationship with Kennedy is true. He asked me if I knew Wilson. I told him I did, that Wilson was formerly with Life Magazine and that the FBI had had some slight disagreement with him in the past. I told the President that I knew it to be a fact that Wilson had been close to Bobby Kennedy. The President asked that we give him an immediate name check on Wilson.

The President stated that he definitely wanted to find a replacement for Secretary Dillon of the Treasury Department without further delay. He stated that he was thinking seriously about David Rockefeller of the Chase National Bank in New York. He asked me if I knew anything about Rockefeller. I told him I did not, that the Director might undoubtedly know him or know of him. The President asked that a name check be made on Rockefeller immediately and that the results be personally furnished to him. I told him this would be done.

*Wilson is quite highly
of him.*

Informal Memo to Mr. Tolson, 3/18/65

The President asked me if I had anything on my mind. I replied in the negative but stated that the Director had mentioned to me the opinion that the President had done a very excellent job before the Congress last Monday night. The President replied that he had done the best he could, however, the proposed legislation might result in lengthy debate. I told the President that he might want to give consideration to not using contact lenses when appearing on television. I indicated that the image projected made it look as if his eyes were almost closed. He said that Lady Bird had mentioned this and he thought that "she had gotten her coaching from Edgar." He stated he would think about it. The President then walked with me to Marvin Watson's office where a short conversation of no consequence ensued.

ACTION:

(1) The Special Inquiry Section of the Special Investigative Division should carefully examine the report on George Joseph Feldman to ascertain if any further investigation can be conducted which will prove or disprove the allegations of Mrs. Feldman being promiscuous in sex relations with men other than her husband.

(2) The Crime Records Division will immediately prepare name checks, for the Director's signature, on both Don Wilson, Deputy Director, USIA, and David Rockefeller of the Chase National Bank.

RESPECTFULLY,

C. D. DE LOACH

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Gale

DATE: March 19, 1965

FROM : W. V. Cleveland

SUBJECT: GEORGE JOSEPH FELDMAN
SPECIAL INQUIRY - WHITE HOUSE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-82 BY SP4 BJA/DFW
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Re memo from C. D. DeLoach to Mr. Tolson dated March 18, 1965, indicating that Speaker John McCormack is pressuring the President to make Feldman Ambassador to Australia and that Feldman and John McCone of CIA are close personal friends. Our investigation showed that Feldman was somewhat of a weakling and his wife a nymphomaniac. John McCone, according to the President, claimed the FBI interviewed "biased" individuals. He further told the President that Mrs. Feldman is not sexually promiscuous. It was recommended and approved that further investigation be conducted which will prove or disprove the allegations of Mrs. Feldman being promiscuous in sexual relations with men other than her husband. THIS IS BEING DONE.

At the outset it should be noted that the investigation referred to by Mr. McCone was the third investigation conducted regarding Feldman. In 1958 an Atomic Energy Act - Applicant investigation was conducted and this investigation was brought up to date in 1962 as a Special Inquiry prior to the time he became a member of the Communications Satellite Corporation, Washington, D. C. The 1958 and 1962 investigations were compiled in a summary which was forwarded to the White House October 22, 1962, showing that a total of 62 individuals had been interviewed. These investigations were entirely favorable. The results of the last Special Inquiry investigation were forwarded to the White House February 8 and 18, 1965, and during this investigation 33 individuals were interviewed. Five of these 33 individuals furnished substantial derogatory information regarding Feldman and his wife.

OBSERVATIONS:

It is recognized, of course, that John McCone cannot be told that we know that he told the President that we interviewed "biased" individuals and confronted with the fact that he has furnished the President completely erroneous information. The same thing could be accomplished, however, if Bureau Liaison could interview McCone and advise him that during three prior investigations a total of 95 individuals were interviewed and that despite this additional

- 1 - Mr. Belmont
- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. Papich
- 1 - Mr. Gale

4 APR 15 1965
WVC:bjp (7)

memo Brezniant
Sullivan 3/25/65
same as before
STP: Ehs

25 APR 6 1965

ORIGINAL COPY FILED IN 161-2259-44

Memorandum Cleveland to Gale
RE: GEORGE JOSEPH FELDMAN

investigation has now been requested. McCone could be told that during the course of our investigation it has been learned that Feldman and his wife are well known to him and that we would like his comments regarding them. In this way he will be on record should the Feldmans later become an embarrassment to this country as Ambassadorial representatives abroad.

ACTION:

It is recommended that Bureau Liaison interview McCone in line with the above, being careful not to divulge to him that we know he has discussed this case with the President.

gjs
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April 12, 1965

PERSONAL

ALL INFORMATION CONTAINED
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DATE 3-22-02 BY SP4BJH/DGW

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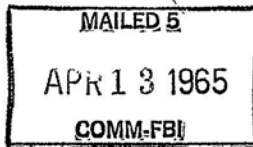
Honorable John A. McCone
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. McCone:

It is with regret that your many friends
in the FBI realize you are resigning as Director of the
Central Intelligence Agency. All of us admire the manner
in which you have carried out your responsibilities, and
we are indeed grateful for the cooperation you have
always given us. You have our best wishes for all
possible success and happiness in your future endeavors.

Sincerely yours,

J. Edgar Hoover



19 APR 15 1965

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58 APR 21 1965

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EXECUTIVE CHANGES

John McCone Director at ITT

JOHN A. McCONE, former director of the Central Intelligence Agency, today was elected a director of International Telephone & Telegraph Corp.

Mr. McCone, prior to becoming CIA chief in 1961, served as chairman of the U.S. Atomic Energy Commission; undersecretary of the Air Force; deputy to the Secretary of Defense; and a member of the president's Air Policy Commission.

In private business, he has held such posts as executive vice president, Consolidated Steel; president of Bechtel-McCone and California Shipbuilding; and chairman of Joshua Hendy Corp.



JOHN A. McCONE

DUFF

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The Washington Post and Times Herald _____
 The Washington Daily News _____
 The Evening Star _____
 New York Herald Tribune _____
 New York Journal-American 22
 New York Daily News _____
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 The New York Times _____
 The Baltimore Sun _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal _____
 The National Observer _____
 People's World _____
 Date _____

ack to McCone
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161-1709-79

JAN 17 1966

New York Journal-American January 17, 1966

ENCLOSURE

~~PERSONAL~~ REC UNIT

January 18, 1966

PERSONAL

ALL INFORMATION CONTAINED

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DATE 3-22-62 BY SP4 BJA/DFW

U432859

gm
0
Honorable John A. McCone
1100 Oak Grove Avenue
San Marino, California 91108

Dear John:

It was a pleasure to learn of your election
as a director of International Telephone and Telegraph
Corporation. Knowing of your fine qualifications, I am
sure you will serve with distinction, and I did want to
add my best wishes to the many others you will receive.

Sincerely,

Edgar

MAILED 19
JAN 19 1966
COMM-FBI

ENCLOSURE

- 1 - Los Angeles - Enclosure
- 1 - New York - Enclosure

NOTE: Mr. McCone is the former head of Central Intelligence Agency (CIA). He is known to the Director on a first-name basis. Address obtained through CIA by liaison.

- Tolson _____
- DeLoach _____
- Mohr _____
- Casper _____
- Callahan _____
- Conrad _____
- Felt _____
- Gale _____
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15 JAN 20 1966

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JOHN ALEX McCONE
612 SOUTH FLOWER STREET
LOS ANGELES 17

Mr. Tolson	✓
Mr. DeLoach	✓
Mr. Mohr	✓
Mr. Wick	✓
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

January 27, 1966

ALL INFORMATION CONTAINED
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DATE 3-22-83 BY SP4 BJA/DPW

II 432859

Dear Edgar

Thank you so very much for your thoughtful note commenting on my election to the Board of Directors of the International Telephone and Telegraph Corporation. This is truly a fine company and I feel honored and privileged to serve on its Board. You were most thoughtful to take time in your busy day to write to me and your letter gives me an opportunity to again express my very deep and sincere appreciation for the constant support that you have given me personally and also the activities I have directed from time to time in Washington.

With warm personal regards.

Sincerely

John A. McCone

Honorable John Edgar Hoover
Director
Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

REC- 61

MCT-17

FEB 18 1966

70 MAR 1 1966

EXP. PROC.

JAN 31 1966

MAILED

JUNE 3, 1966
JUN 3 1966

JOHN ALEX MC CONE Summary
Born: January 4, 1902
San Francisco, California

NAME CHECK

In response to your name check request find enclosed three summary memoranda containing results of investigation of McCone conducted up to 1958.

In 1961, at the request of the White House, the investigation of McCone was brought up to date from 1958 and a summary memorandum of the investigation, which was favorable to McCone, was furnished to the White House. If detailed results of the 1961 investigation are desired you are referred to the office of the Honorable Marvin Watson, Special Assistant to the President, attention Mrs. Mildred Stegall. (161-1709)

John Alex

Original and 1 - OSI; 4th
Request Received - May 16, 1966

KJ JJJ:bap
(4)

Enclosures (3)

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161-1709-81

3 JUN 6 1966

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI, and is loaned to your agency; it and its contents are not to be distributed outside your agency. This reply is result of check of FBI investigative files. To check arrest records, request must be submitted to FBI Identification Division. Fingerprints are necessary for positive check.

55 JUN 8 1966

Federal Bureau of Investigation
Records Branch

6/26, 1973

☒ Name Searching Unit - Room 6527☐ Service Unit - Room 6524☒ Forward to File Review☐ Attention Mr. Byers☐ Return to Mr. [unclear] 1260/2559

Supervisor Room Ext.

Type of References Requested:

- ☐ Regular Request (Analytical Search)
- ☒ All References (Subversive & Nonsubversive)
- ☐ Subversive References Only
- ☐ Nonsubversive References Only
- ☐ Main References Only

JUN 26 1973

Type of Search Requested:

- ☐ Restricted to Locality of _____
- ☐ Exact Name Only (On the Nose)
- ☐ Buildup ☐ Variations

Subject McLONE, JOHN ALEXBirthdate & Place ALL INFORMATION CONTAINEDAddress HEREIN IS UNCLASSIFIEDDATE 3-22-02 BY SP4BJA/DFW
432859

Localities _____

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I ✓ SUM 77-40957-122 6-12-58 ✓

I ✓ SUM 161-1709-51 11-2-61 ✓

I ✓ SUM 62-109090-236 6-10-60 ✓

120-129, 106 ;

I ✓ SUM 161-1709-81 6-2-66

I ✓ 62-80750-4152 ✓

I ✓ 62-109090-236 EP 327, 374, 433

John ALEC

I ✓ 62-109090-168 EP 6524, 6522 thru 6575, 6579 thru 6599 ; this comes from JFK

John

I ✓ 9-44118 NP

I ✓ 62-110596-113 NP

I ✓ 62-109090-37, 136 NP

I ✓ 62-109717-21 NP

Federal Bureau of Investigation
Records Branch

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Type of References Requested:

<input type="checkbox"/>	Regular Request (Analytical Search)
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<input type="checkbox"/>	Nonsubversive References Only
<input checked="" type="checkbox"/>	Main <u>Sum</u> References Only

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Subject John A. McCone
 Birthdate & Place 1-4-02 Calif.
 Address _____

Localities _____

R# _____ Date 12/2 Searcher Initials mb

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✓	87-86329
✓	116-182387 I
✓	161-1709 I
✓	77-40957-62 Sum 11/1/55
	158 " 9/27/61
	approx 75 pers not listed
	John Alex (Sum)
✓	77-40957-122 Sum 6/12/58
✓	161-1709-51 " 11/2/61
	81 " 6/2/66
	4 pers not listed
	John
✓	09-44118 I
	approx 60 pers not listed
	J.A
	5 Int

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II432859

18 TB

19 66

Supervisor	Room	Ext.
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☐ Regular Request (Analytical Search)
☐ All References (Subversive & Nonsubversive)
☐ Subversive References Only
☐ Nonsubversive References Only
☒ Main _____ References Only

SOALY 19 1966

☐ Restricted to Locality of _____
☐ Exact Name Only (On the Nose)
☐ Buildup ☐ Variations

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY

SP4 BJA/DFW

Localities _____

Prod. 110

FILE NUMBER

SERIAL

1 2013-10-10 I

1.2- 12347

<u>I</u>	<u>161-1709</u>	<u>1321 lb</u>
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ND 58-174873-23

2249 100-1249

✓ 77-40457 - 22 Jan. 2.50

✓ 157-1709-51 Am. 11/8/41

HR 35 HE 25

1966

~~TOP SECRET~~ MAY 26 1966

100-10324

72-30952 52

176 Lm. 700

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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[illegible]

NUMEROUS REFERENCE

SEARCH SLIP

Subj: MCCONE, John ALEX

Supervisor _____

Room _____

R# 603Date 6-26

Searcher _____

Initial 700

Prod. _____

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

FILE NUMBER

432859

SERIAL

John

I 62-42007-373
I 62-80750-3825 NP 3858, 3900
I 3984, 4048, 4073, 4075, 4097, 4098, NP
I 4141, 4145, 4152, 4155, 4170, 4183, NP
I 4184, 4185, 4186, 4242, 4274, 4309, NP
L 4328; NP
I 65-65192-464 NP
I 65-30150-2476 NP
I 65-67235-712 NP
 SPECIAL TUE ROOM 3214
 65-68530-469K 8P4149, 4450, 4152; NP
I 65-67669-135 P1-A, 32 NP 25, NP
 126, 129, 138, 164, 169, 170, 173, 185, NP
 176, 249
I 94-8-350-1158, 1218, 1230 NP
I 94-8-350-A P 4-25-65 WASH POST, TIMES
I 100-127094-651 NP
I 100-189256-343 NP
LI 105-82555-3894, 3689 NP
I 105-95677-332 NP
I 105-118682-1 NP
I 116-442786-33 NP
I 157-11845-91 NP
I 157-3804-238, 241 NP

NUMEROUS REFERENCE

SEARCH SLIP

Subj: MCCONE, John ALEX

Supervisor _____ Room _____

R# 603 Date 06-26 Searcher Initial 705

Prod. _____

FILE NUMBERSERIAL

~~INT~~ ^{NI} ~~157-12589-13,41~~ ~~I~~
~~166-611-3~~ ^{R659}
J. A. _{per GI}
~~I~~ 62-82221-2082 ^{NP 1960}

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW

D432859

JUN 26 1973

12651

MEMORANDUM

PLEASE EXPEDITE

THE WHITE HOUSE

WASHINGTON

Dec. 2, 1969

TO: Robert H. Haynes, FBI

FROM: Egil Krogh

SUBJECT: FBI Investigations

ALL FBI INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJH/DFW

1432859

Subject's Name McCone, John A. — SummaryDate of Birth 1/4/02 Place of Birth San Francisco, Calif.Present Address 1100 Oak Grove, San Marino, Calif.

We request:

- ☐ Copy of Previous Report
- ☒ Name Check Please Expedite
- ☐ Full Field Investigation

The person named above is being considered for:

- ☐ White House Staff Position
- ☒ Presidential Appointment
- ☐ Position with another Agency

ATTACHMENTS:

- ☐ SF 86 (in duplicate)
- ☐ SF 87, Fingerprint Card
- ☐ Biography

REMARKS:

161-170982
REPORT SHOULD BE DELIVERED BY FBI TO: GERTRUDE BROWN

ENCLOSURE

PLAINTEXT

TELETYPE

URGENT

TO SACS WASHINGTON FIELD (77-26669)
LOS ANGELES (161-385)
NEW YORK (161-799)
ALEXANDRIA
SEATTLE

ENC. (4) BSM

FROM ACTING DIRECTOR FBI (161-1709)

Jan
JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED: JULY 3,
1973, WITHOUT FAIL.

JOHN A. McCone

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION OF
MC CONE WHO IS BEING CONSIDERED FOR PRESIDENTIAL APPOINTMENT,
POSITION NOT STATED.

BRING 1961 INVESTIGATION UP TO DATE.

BORN JANUARY 4, 1902, SAN FRANCISCO, CALIFORNIA, AND
RESIDES 1100 OAK GROVE AVENUE, SAN MARINO, CALIFORNIA. ALSO
MAINTAINS A RESIDENCE AT THE HIGHLANDS, SEATTLE, WASHINGTON.
MARRIED TO THE FORMER THEILINE PIGOTT, WIDOW OF SEATTLE
INDUSTRIALIST, PAUL PIGOTT, AND MOTHER OF SIX CHILDREN.

AT TIME OF 1961 INVESTIGATION MC CONE WAS SERVING AS
PRESIDENT OF PANAMA PACIFIC TANKERS CORPORATION AND CHAIRMAN
OF JOSHUA HENDY CORPORATION, BOTH LOS ANGELES, HOLDING LATTER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/OPW
4432854

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

NOTE: Request received today from White House.

REC-51

161-170389-83
JUN 26 1973
TELETYPE

RER:vsb

(3)

70 AUG 2 3 1973

MAIL ROOM ☐ TELETYPE UNIT ☒ RETURN TO MR. RITZER, ROOM 1254.

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gebhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. Soyars _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Baise _____
Mr. Barnes _____
Mr. Bowers _____
Mr. Herington _____
Mr. Conny _____
Mr. Mintz _____
Mr. Eardley _____
Mrs. Hogan _____

TELETYPE TO WASHINGTON FIELD
RE: JOHN ALEX MC CONE

POSITION UNTIL 1969.

MC CONE SERVED AS DIRECTOR OF CENTRAL INTELLIGENCE AGENCY
FROM 1961 TO 1965.

SINCE 1968 HAS SERVED AS PRESIDENT AND DIRECTOR OF HENDRY
INTERNATIONAL COMPANY, PRESUMABLY LOS ANGELES.

SEE WHO'S WHO FOR ADDITIONAL UP TO DATE BACKGROUND DATA.

LOS ANGELES SHOULD IMMEDIATELY ADVISE MC CONE THAT BUREAU
HAS BEEN REQUESTED TO CONDUCT THIS INVESTIGATION. NO MENTION
OF WHITE HOUSE SHOULD BE MADE. LOS ANGELES IMMEDIATELY OBTAIN
IDENTITIES AND LOCATIONS OF ALL CLOSE RELATIVES AND SET OUT
LEADS AT ONCE.

CONDUCT NO NEIGHBORHOOD INVESTIGATION OF MC CONE UNLESS
SOME REASON ARISES INDICATING SUCH IS DESIRABLE AT WHICH TIME
BUREAU AUTHORITY SHOULD BE REQUESTED.

DUE TO URGENT NATURE OF REQUEST IT IS IMPERATIVE BUDED
BE MET WITHOUT FAIL. NO DELAY WILL BE TOLERATED.

SPIN.

December 3, 1969

BY LIAISON

Honorable Egil Krogh, Jr.
Deputy Assistant to the President for
Domestic Affairs
The White House
Washington, D. C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
#432859

Dear Mr. Krogh:

Reference is made to your name check request concerning John A. McCone, who was born on January 4, 1902, at San Francisco, California, and who currently resides in San Marino, California.

Mr. McCone was the subject of applicant-type investigations conducted by the FBI in 1948, 1950, 1954, 1958, and 1961. The results of those investigations were summarized in communications dated May 5, 1954, June 12, 1958, June 24, 1958, June 30, 1958, and November 2, 1961, copies of which are attached. (77-40957) (116-182387) (161-1709)

Our files reveal no additional pertinent information concerning Mr. McCone.

The fingerprint files of the Identification Division of the FBI contain no arrest data identifiable with Mr. McCone based upon background information submitted in connection with this name check request.

Sincerely yours,

McCONE IS FORMER
CIA DIRECTOR

Enclosures (5)

Mr. DeLoach - (sent direct)

Mr. Gale - (sent direct)

JCF:mcb (7)

MAIL ROOM TELETYPE UNIT

Tolson _____
DeLoach _____
Walters _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Soyars _____
Tele. Room _____
Holmes _____
Gandy _____

REC-94

18 DEC 5 1969

58 DEC 5 1969

DEC 3

MEMORANDUM

PLEASE EXPEDITE

THE WHITE HOUSE

WASHINGTON

June 25, 1973

TO: Robert H. Haynes, FBI

FROM: Jane Dannenhauer

SUBJECT: FBI Investigations

Subject's Name McCONE, John A.

Date of Birth 1/4/1902 Place of Birth San Francisco, Cal.

Present Address: 1100 Oak Grove Avenue, San Marina, Calif.
612 S. Flower Street, Los Angeles, Calif.

We Request: Copy of Previous Report

 Name Check

 X Full Field Investigation

The person named above is being considered for:

 White House Staff Position

 X Presidential Appointment

 Position with another Agency

Attachments:

 SF 86 (in-duplicate)

 SF 87, Fingerprint Card

 X Biography

Remarks:

ALL FBI INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

ENCLOSURE

161-1709
77-40957

Del. to WFO, LA, NY, AX
6-26-73
161-1709-83
ER:Vsb

1st. Ave. Box 2511 Houston TX 77001

HENRY PETER, office equipment mfg. co.
1922, Reginald Walker &
ident Dalhousie U., 1913, I.L.B.
Thos Wm Sch., Toronto,
Marty Virginia White, Apr. 25,
Robert Came to U.S.,
Lehigh Coal Navigation Co.,
1954, VP sales, 1960-63, exec.
chief exec. officer, 1968-
Rank Xerox Ltd., London, Eng.,
Verco Co Ltd., The Rank Organisation
London, Eng., First Nat City Corp.,
Save Com, chmn. adv. comm. Woodrow
Trustee Rochester Inst. Tech.,
Coll University of Rochester;
Genesee Valley (Rochester);
Belle Haven, Greenwich Country,
Home Broad Rd Greenwich CT

WILLIAM WARREN, corp. exec., ret. air force
1914, s. Joseph Warren and Doris
Armed Forces Staff Coll., 1950, Air War
Col., 1964, m.-Mary Joan Martin,
Mrs. Patricia, Carol Warren, joined RAF,
1942, advanced through grades to maj.
squadron leader RAF, Eng., 1940-42;
4th Fighter Group, Eng., 1942;
group operations officer
Alb., 1943, comdr. 407th Fighter
Group, Texas, 1943-44, 404th Fighter
Group, 1944-45, dir. combat operations
Group, 1945; comdr., dep. comdr. 3d
Group, Pinellas, Fla., 1945-46; comdr.
Group, Germany, 1946-47, 31st Fighter
Group, dir. operations and ing. Hdqrs. Air
Group, Colo., 1950-52; dep. for operations
Group, Stewart AFB, Newburgh, N.Y.,
1952-54; Newfoundland, Can., 1955-58; dir.
Group, CONAD, Lnt AFB, Colo., 1958-62;
Group, Beale AFB, Cal., 1962-63;
Group, AFB, Ore., 1963-64; vice comdr. 28th
Group, Cal., 1964, comdr., 1966; comdr. 4th Air
Group, 1966-68, now pres., chmn. bd. dirs.
San Francisco Decorated Legion
of Merit, D.F.C., D.S.M., Air medal with 6 oak
leafs, Croix de Guerre with palm, Fourragere
Croix de Guerre with palm, Fourragere
Army Assn. (charter), Air Force Assn.,
Army Assn., Air Force Acad. Athletic Assn.,
Don Novato CA 94947 Office: 185 Post St.

a. b. c. d. e. f. g. h. i. j. k. l. m. n. o. p. q. r. s. t. u. v. w. x. y. z. aa. ab. ac. ad. ae. af. ag. ah. ai. aj. ak. al. am. an. ao. ap. aq. ar. as. at. au. av. aw. ax. ay. az. ba. bb. bc. bd. be. bf. bg. bh. bi. bj. bk. bl. bm. bn. bo. bp. bq. br. bs. bt. bu. bv. bw. bx. by. bz. ca. cb. cc. cd. ce. cf. cg. ch. ci. cj. ck. cl. cm. cn. co. cp. cq. cr. cs. ct. cu. cv. cw. cx. cy. cz. da. db. dc. dd. de. df. dg. dh. di. dj. dk. dl. dm. dn. do. dp. dq. dr. ds. dt. du. dv. dw. dx. dy. dz. ea. eb. ec. ed. ee. ef. eg. eh. ei. ej. ek. el. em. en. eo. ep. eq. er. es. et. eu. ev. ew. ex. ey. ez. fa. fb. fc. fd. fe. ff. fg. fh. fi. fj. fk. fl. fm. fn. fo. fp. fq. fr. fs. ft. fu. fv. fw. fx. fy. fz. ga. gb. gc. gd. ge. gf. gg. gh. gi. gj. gk. gl. gm. gn. go. gp. gq. gr. gs. gt. gu. gv. gw. gx. gy. gz. ha. hb. hc. hd. he. hf. hg. hh. hi. hj. hk. hl. hm. hn. ho. hp. hq. hr. hs. ht. hu. hv. hw. hx. hy. hz. ia. ib. ic. id. ie. if. ig. ih. ii. ij. ik. il. im. in. io. ip. iq. ir. is. it. iu. iv. iw. ix. iy. iz. ja. jb. jc. jd. je. jf. jg. jh. ji. jj. jk. jl. jm. jn. jo. jp. jq. jr. js. jt. ju. jv. jw. jx. jy. jz. ka. kb. kc. kd. ke. kf. kg. kh. ki. kj. kk. kl. km. kn. ko. kp. kq. kr. ks. kt. ku. kv. kw. kx. ky. kz. la. lb. lc. ld. le. lf. lg. lh. li. lj. lk. ll. lm. ln. lo. lp. lq. lr. ls. lt. lu. lv. lw. lx. ly. lz. ma. mb. mc. md. me. mf. mg. mh. mi. mj. mk. ml. mm. mn. mo. mp. mq. mr. ms. mt. mu. mv. mw. mx. my. mz. na. nb. nc. nd. ne. nf. ng. nh. ni. nj. nk. nl. nm. no. np. nq. nr. ns. nt. nu. nv. nw. nx. ny. nz. oa. ob. oc. od. oe. of. og. oh. oi. oj. ok. ol. om. on. oo. op. oq. or. os. ot. ou. ov. ow. ox. oy. oz. pa. pb. pc. pd. pe. pf. pg. ph. pi. pj. pk. pl. pm. pn. po. pp. pq. pr. ps. pt. pu. pv. pw. px. py. pz. qa. qb. qc. qd. qe. qf. qg. qh. qi. qj. qk. ql. qm. qn. qo. qp. qq. qr. qs. qt. qu. qv. qw. qx. qy. qz. ra. rb. rc. rd. re. rf. rg. rh. ri. rj. rk. rl. rm. rn. ro. rp. rq. rr. rs. rt. ru. rv. rw. rx. ry. rz. sa. sb. sc. sd. se. sf. sg. sh. si. sj. sk. sl. sm. sn. so. sp. sq. sr. ss. st. su. sv. sw. sx. sy. sz. ta. tb. tc. td. te. tf. tg. th. ti. tj. tk. tl. tm. tn. to. tp. tq. tr. ts. tt. tu. tv. tw. tx. ty. tz. ua. ub. uc. ud. ue. uf. ug. uh. ui. uj. uk. ul. um. un. uo. up. uq. ur. us. ut. uu. uv. uw. ux. uy. uz. va. vb. vc. vd. ve. vf. vg. vh. vi. vj. vk. vl. vm. vn. vo. vp. vq. vr. vs. vt. vu. vv. vw. vx. vy. vz. wa. wb. wc. wd. we. wf. wg. wh. wi. wj. wk. wl. wm. wn. wo. wp. wq. wr. ws. wt. wu. wv. ww. wx. wy. wz. xa. xb. xc. xd. xe. xf. xg. xh. xi. xj. xk. xl. xm. xn. xo. xp. xq. xr. xs. xt. xu. xv. xw. xx. xy. xz. ya. yb. yc. yd. ye. yf. yg. yh. yi. yj. yk. yl. ym. yn. yo. yp. yq. yr. ys. yt. yu. yv. yw. yx. yy. yz. za. zb. zc. zd. ze. zf. zg. zh. zi. zj. zk. zl. zm. zn. zo. zp. zq. zr. zs. zt. zu. zv. zw. zx. zy. zz.

NEWELL, pump co. exec.; b. New Castle, Pa.
 ... and Adelaide (Clark) McC.; C.E.
 ... 1929 m Jessie Ellen Chase, July 26, 1930;
 ... Raymond Grinstead, Jr., Malcolm, James C.
 ... Seneca Falls, N.Y., 1929—, pres., 1964—
 ... Chester, N.Y., Oil Dynamics, Inc., Tulsa,
 ... Men Seneca Falls Bd. Edn., 1948-58; Inst.,
 ... of Seneca Falls Mem. Financial Excs, Inst.,
 ... Hone R D 2 Romulus NY 14541 Office:
 ... NY 13148

FRANCIS, justice; b. Denver, May 6,
1908; Frederick McCr.; student Pres. Sch.,
U.C. & Stanford Jr. U., 1917; LL.B. cum
laude Loyola U., 1936; hon. degree U. San
Francisco, 1940; admitted to Cal. bar, 1920; practiced in Los
Angeles; judge, 1927-37; Justice Dist. Ct.
of California, 1937-40; Supreme Ct., 1940-46. Served as
Counselor USNR, 1932-36. Mem. Am., Cal.,
Bar Associations, Delta Chi, Sigma Delta Kappa,
Republican Clubs; California, Los Angeles
County Bar Associations, Bohemian (San Francisco); Southern
California State Bar Association; Home; 2550 Filbert St. San
Francisco 16, Calif.

HARVEI D. Dean chapel; B. Ashley, O., Aug. 22,
1908; married C. (Crouch) McCr.; B. A. Syracuse Univ.
1948, Ph.D. Nat. Univ. Cuzco (Peru)
June 22, 1946; children—Scott D.
trained to ministry Meth. Ch., 1948; deacon
Mexican City, 1942; asst. pastor
Pastor Ashbury Meth. Ch. Crestwood
N.Y.C., 1959-67, fraternal sec.
N.Y.C., 1963-67, dean, sr. chaplain
1967 Delegate to World Council
Served as exhort with A.C., USSR
Chaplains and Univ. Chaplains, Mavon
Berkshire Div. Syracuse NY 13210 Office
Syracuse, NY 13210

photographer, b Isle of Man, Jan. 6
 m Gertrude Vasei, 1936
 Philp Henry War Corp Pictures
 144444, London News Chronicle
 photographer, Life mag, 1946 -
 1950
 m Mary Brit, 1950, 55. Fellow
 of the Royal Society
 Menschen Irlenden Geschichte
 Meeres People 1951 Home 77 Sound
 NY NY NY Office, Time & Life Bldg
 City NY 10020

W. H. HASKELL, my co exec: b Oxnard, Cal.
" " " and Ellyne (Haskell) McC, A.B.
" " " Bradley Russell Apr 1, 1952

Home: 38 Van Tassel Lane Orinda CA 94503 Office: 255 California
St San Francisco CA 94120

McCORMACK, G. H., pub. co. exec.; b. Waxahachie, Tex., Nov. 9, 1909.
 5 Robert D. and Minnie (Parks) McC.; student Randolph Jr. Coll.
 Tex., Trinity U., San Antonio, m. Mary Louise Matthews, Sept.
 1936; 4 children - Robert M., Mary Ann (Mrs. James W. Patterson),
 C. K. Sales exec., Fishburn Motor Co., Dallas, 1928-29, Willys
 Overland Motor Co., Dallas, 1929-30, with Curtis Circulation Co.
 Phila., 1930 --, v. p. dir., single copy sales, 1951-62, pres., 1962-65,
 chmn., chief exec. officer, 1965-69, pres., dir., 1969 -- circulation dir.,
 Curtis Pub. Co. Phila., 1962-66, v. p., 1963-3, sr. v. p., 1964-68, exec. v. p.,
 1968, pres., 1969-70, dir. Curtis Distrib. Co. Ltd., Toronto, Can.,
 1953 --, pres., 1957-66, chmn., 1969; v. p., dir. Nat. Mac. Service,
 Chatham, N.J., 1955-67; dir. Moore-Cottrell Subscription Agcy., Inc.,
 1953-68, chmn. bd., 1964-68, dir., Keystone Readers, 1962-68, chmn. bd.,
 1963-68; v. d. dir. Cadenice Industries Corp., Inc., 1970 --, Sec'y
 to Lt. USNR, 1944-45, Mem. Bur. Ind. Pub. and Distrib., (past chmn.,
 hon. dir., also past pres., hon. dir., 25 Years Club), Adv. Council (dir.),
 Clubs: Downtown (dir.), (Phila.); Springhawn (Wallingford, Pa.);
 Canadian (N.Y.C.); Seaview Country (Abocon, N.J.). Home: 312
 Maple Ave Swarthmore PA 19080 Office: Curtis Circulation Co.
 Independence Sq Philadelphia PA 19105

MCCOMBS, ROBERT PRATT, physician; b. Phila., Dec. 13, 1909; s. Robert Shalmerider and Richenda Henrietta (Pratt) McC. B.S., Yale, 1931; M.D., L. Pa., 1935; m. Dorothy Elizabeth Reist, Apr. 14, 1941; children—Peter, Patricia. Intern Ind. U. Hosp., 1935-36; dir. clinics Abington (Pa.) Meml. Hosp., 1938-41; instr. state-wide postgrad. course internal medicine, Tenn., 1941-43; practice medicine, Boston, 1946—; asst. prof. medicine, dir. postgrad. teaching, Tufts U. Sch. Medicine, 1946-49, prof. grad. medicine, dir. post-graduate teaching, 1949-66, prof. medicine, 1966—; senior staff physician, cons. in allergy and pulmonary disease New Eng. Med. Center Hosp., Boston, 1946—; president Mass. Postgraduate Med. Inst., 1962—. Served as lt. comdr., M.C., USNR, 1943-46, Diplomat, Am. Bd. Internal Medicine, Fellow A.C.P.; mem. Charles River Dist. Mass. med. socs., A.M.A., Am. Acad. Allergy, New Eng. Soc. Allergy (pres.). Author: Internal Medicine in General Practice, 1947; Internal Medicine: A Physiologic and Clinical Approach to Disease, 1956; Fundamentals of Internal Medicine, 1971. Contrb. of articles to medical journals. Home: 15 Caroline Park Waban MA 02168 Office: 17 Harrison Av Boston MA 02111

MCCOMIE, VALERIE THEODORE, diplomat; b. Trinidad, W.I. Apr. 1, 1920; s. George Rudolph and Denise (Sotillo) McC.; B.A., U. London, Eng.; postgrad. U. Bordeaux, France, U. Cal., Los Angeles m. Margery Clarke, 1942 (dec.); 1 dau., Gail Andrea. Asst. master Lodge Sch., Barbados; asst. D'Anglais, Bordeaux; modern langs. tchr. Verde Valley Sch., Ariz.; modern langs. tchr. Agona S wedru, Ghana; resident tutor extra mural dept. U. W.I.; ambassador, rep. of Barbados to OAS; now ambassador of Barbados to U.S.A. Home: 4850 Linneux Av NW Washington DC 20008 Office: 2144 Wyoming Av NW Washington DC 20008

MCCONAGHA, ALAN, newspaperman; m. Barbara Melamed, Jun. 22, 1966; children—William Arthur, Megan Mara. With Montgomery (Ala.) Advertiser, 1956-57; with Mpls. Tribune, 1957—, European corr., 1967-69, Washington correspondent, 1970—. Office: Mpls. Tribune 940 National Press Bldg Washington DC 20004

MCCONAGHA, GLENN LOWERY, coll. pres.; b. New Concord, O., June 2, 1910; s. David Hawthorne and Lida (Taylor) McC.; A.B., Muskingum Coll., 1932; A.M., Ohio State U., 1934, Ph.D., 1941; student U. Pitts., 1936-37; m. Pearl Esther Hook, Apr. 8, 1939. Instr. social studies Alleghpa (Pa.) High Sch., 1934-38; asst. prof. edn. Muskingum Coll., summers, 1935-38; instr. edn. Ohio State U., Columbus, 1939-40; asst. dir. field service, 1941-42; pre-induction classification officer, Huntington, W. Va., 1943; exec. officer, U.S. Armed Forces Inst., Madison, Wis., 1944-45 (commd. U.S. Arm., 1947), comdt., 1945-49, ednl. dir., 1949-50, civilian dir., 1950-51; exec. v.p. Muskingum Coll., 1953-62, pres., 1962-64; dean Blackburk Coll., Carlinville, Ill., 1964-65, pres., 1965-; mem. nexus com. U.I. Ch. U.S.A.; mem. Ill. Commn. for Pvt. Edn. Trustee Lincoln Academy of Ill. Mein. Organized Res. Corps, U.S. Army. Hon. maj. Brit. Roy. Edn. Corp. Mem. Am. Council Assn., Higher Edn. Assn., Asso. Coll. Ill. Mil. Order World Wars, Am. Ednl. Research Assn., N.E.A., Am. Assn. U. Profs., Internat. Platform Assn., Phi Gamma Mu, Alpha Phi Gamma, Phi Delta Kappa, Mason, Rotarian. Decorated: Arm. Commendation ribbon, Presdl. Int. Citation. Author articles in prot. jous; contrb. to Nat. Parent-Teacher Mag., Bull. of Nat. Assn. Secondary Sch. Prints. Author: Train of Thought (monthly publ. Hovey, 501 Collier, Av. Carlinville Ill. 62626.

MCCONAHEY, WILLIAM MCCONNELL, physician, educator; Pitts., May 7, 1916; s. William McConnell and Charlotte Maud (Hixson) McC.; A.B., Washington and Jefferson Coll., 1938; M.D., Harvard, 1942; M.S., U. Minn., 1948; m. Adrienne Parsons Magness June 15, 1940; children—William McConnell, Meredith Adrienne, Peter Magness. Resident internal medicine Mayo Clinic, 1946-47; asst. to staff Mayo Clinic, 1949, mem. staff internal medicine and endocrinology, 1949—; cons. internal medicine St. Mary's, Rochester Methodist hosp., 1949—; chmn. dept. endocrinology Mayo Clinic 1967—; prof. medicine Mayo Grad. Sch. Medicine U. Minn., 1966—. Active local Boy Scouts Am. Served with M.C., A.U.S., 1943-45; no Col. Reg. Decorated Silver Star, Bronze Star, Fellow A.C.P.; mem. Am. Thyroid Assn., Endocrine Soc., Am. Diabetes Assn., Am. Fed. Clin. Investigation, A.A.S.A., Minn. Soc. Internal Medicine, S. Minn. Med. Assn., Central Soc. Clin. Research, Zumbro Valley Med. Soc., Phi Beta Kappa, Sigma Xi. Author articles in field. *Home* 11, 6th St SW Rochester MN 55901

McCONATHY, OSBOURNE WILLIAM, musician; b. Chelsea, Mass., May 17, 1905; s. Osbourne and Alice (Brown) McC.; B.S. N.Y. U., 1933; student Juillard Sch. Music, 1935-38; m. Mary Francis Kaveney, Sept. 4, 1938, children—Osbourne William, Alice Marie Rita Louie, James Stewart. Played first horn with Nat. Symphony Orch., Washington, 1938-43, Rochester (N.Y.) Philharmonic and Civic orchs., 1943-44, played horn Boston Symphony Orch., 1944-66, conductor Boston Opera, 1957—, Am. Nat. Opera Co., 1967—; teo. Francis horn Boston U., also Boston Conservatory, 1948-67. Home 21 Aberdeen St. Newton Highlands MA 02121. Office: Symphony Hs. Boston MA 02115.

MCCONAUGHY, CHARLES WALLACE, lawyer; b. Holdrege, Neb., July 7, 1876, s. Charles W. and Ella (Wallace) McC; B. Purdue U., 1919, LL B., Harvard, 1922, m. Dorothea Waring, June 1, 1924; 1 dau., Jane (Mrs. Anthony Labrum). Admitted to N.Y. B. 1931; since practiced in N.Y. C., asso. with firm Simpson, Thatcher & Butler, 1933-34; now with firm Goldstein, W. & Harrison, P.

(Sampey) McC, Bachelor of Arts, Birmingham-Southern Coll., 1924.
 Doctor of Laws (honorary), 1962; grad. student Duke, 1939. n.
 Dorothy Davis, June 28, 1937; children: Patricia, Mary Dyer.
 Techr. Pike Co. High Sch., Brundidge, Ala., 1928-30; Ala. Col-
 lege summer sch., Montealeo, 1929, apptd. career fgn. service officer.
 U.S. consular service: Tampico, Mex., 1931-32; Kobe, Japan, 1933-35;
 Osaka, Japan, 1938-40, 2d sec. Am. Embassy, Peking, China,
 interned by Japanese, 1941-42; comm. attache Am. Em-
 bassy, La Paz, Bolivia, 1942-44, 1st sec. Am. Embassy, Rio de
 Janeiro, Brazil, 1945-47; assigned Nat. War Coll., Washington,
 1947-48; consul, later consul gen., Shanghai, China, 1948-50 released
 last Am. fgn. service post in China; Apr. 1950, following Com.mun.st
 occupation China mainland, 1949; consul gen., Hong Kong, 1950-52;
 dir. Office Chinese Affairs, Dept. State, 1952-57; ambassador to
 Burma, 1957-59, Korea, 59-61; asst. sec. of state for Far Eastern
 affairs, 1961-62; ambassador to Pakistan, 1962-66; ambassador to
 Republic of China, 1966—. Methodist. Club: Metropolitan
 (Washington). Address: Am Embassy Taipei Taiwan Republic of
 China

MCCONCHIE, JOHN LEWIS, ret. mfg. co. exec.; b. Manson, Mass., Mar. 15, 1903; s. George Hamilton and Mary (Mathieson) McC.; B.S., U. Mass., 1936; grad. Advanced Mgmt. Program, Harvard, 1962; m. Sally Fowler, Dec. 23, 1939; children—Edward F., John Lewis, James H. With Kendall Co., Boston, 1936—, successively salesman, dist. mgr., b. mgr., sales mgr., 1936-53, dir. sales, 1953-54, v.p. sales, 1960-70, v.p., 1967, exec. v.p., 1968, pres., 1968-70, chief exec. officer, 1969-70, also dir. dir. First Nat. Bank, Boston, Mass. Speaker, seminar leader Am. Mgmt. Assn., 1950-52. Active with A.R.C., United Fund, Community Chest, Mgm. Boston C. of C., Nat. Assn. Finishers of Textile Fabrics, Weavers Club, Newcomen Soc., N. Am. Mason. Clubs; Algonquin; Chicago. Home: 51 Monadnock Rd. Wellesley Hills MA 02181

MCCONE, ALAN, business exec.; b. Phila., Pa., Sept. 7, 1908; s. H. E. and Ida (Thomas) McC.; student Northwestern U., 1925-26. Stanford, 1926-29; m. Virginia Green, Nov. 2, 1929; children—Alan, Deborah Louise. Engaged in investment banking, 1929-40; asst. supt. Sun Oil Co., 1940-46; with Catalytic Constr. Co., 1946-61. dept. supt. for labor, sales and indsl. relations; asst. Sec. for Inst. Dept. U.S.A.F. 1961-64; sr. v.p., dir. Day & Zimmerman, Phila., 1964—. Mem. A.n. Inst. Chem. Engrs., Am. Inst. Plant Engrs., Am. Ordnance Assn. Clubs: Stanford (pres. 1930), Exchange (pres. 1947) (Phila.); Pa. Athletic (pres. 1971); University (Washington); Merion (Pa.) Golf. Author articles. Home: Rittenhouse Claridge Philadelphia PA 19103 Office: 1700 Sansom St Philadelphia PA 19103

McCONE, JOHN A., business exec.; b. San Francisco, Jan. 4, 1902; s. Alexander J. and Margaret (Enright) McC.; student engring. U. Cal.; m. Rosemary Cooper, June 21, 1938 (dec. Dec. 1961); m. 2d: Theiline Pigott, Aug. 29, 1962. Constrn. engr. Llewellyn Iron Works; supt. Consol. Steel Corp., 1929, exec. v.p., dir., 1933-37; pres. organizer Reichtel-McCone Corp., engrs., Los Angeles, 1937-45 pres., dir. Cal. Shipbldg. Corp., 1941-46; pres., dir. Joshua Hendy Corp., 1945-58, chmn., 1958-69; chmn. Hendry Internat. Co., 1963-; pres., dir. Joshua Hendy Iron Works, 1945-58; dir. Pacific Mut. Life Ins. Co., United Cal. Bank, Standard Oil of Cal., Western Bancorp., Internat. Tel. & Tel. Corp. Mem. President's Air Policy Comm'n., 1947-48; dep. to Sec. of Def. 1948; under sec. USAF, 1950-51; chmn., U.S. AEC, 1958-60; dir. CIA, 1961-65. Mem. Phi Kappa Sigma Clubs: California, Los Angeles Country (Los Angeles); Pacific Union, Bohemian (San Francisco); Burning Tree, Metropolitan, Chevy Chase Country (Washington); The Links, Blind Brook (N.Y.C.); Cypress Point (Pebble Beach). Home: 1100 Oak Grove Av San Marino CA 91108 also The Highlands Seattle WA 98177 Office: 612 S Flower St Los Angeles CA 90017

MCCONEGHEY, HAROLD GLENN, gov't. ofcl.: b. Newton, Ia., Apr. 30, 1920; s. Herbert Wayne and Nelle Marie (Doerfler) McC.; student la. State Tchrs. Coll. 1939-42, Corned U. 1942-50, 3 yrs. 1950-51; m. Lois Louise Baldwin, Aug. 29, 1943; children—Nelly; ne Ruth, David Baldwin, Kevin Woodward. Fingerprint analyst—no classifier FBI, 1943; code clk. OWL 1943-44, program anst. 1944-45; vice consul Dept. State, 1945-49; pub. affairs officer, Taiwan 1951-56; pub. affairs officer, Canberra, Australia, 1957-60; policy officer Office Asst. Dir., USIA, 1960-65; dep. pub. affairs off. sr. Manila, P.I., 1965-68; pub. affairs officer, Rangoon, Burma, 1968-9. Mem. Am. Fgn. Service Assn. Methodist Club. DANCOR (Washington). Home: USIS Am Embassy APO San Francisco CA 96306 Office: Am Embassy Rangoon Burma

MCCONNIE, FRANCIS MORAN, bank exec.: b. Cedarhurst, N. Y., Aug. 7, 1904; s. Malcolm S. and Eleanor B. (Moran) McC.; grad. St. Paul's Sch., Concord, N. H., 1922; A.B., Princeton, 1926; m. Marguerite Hagner, Jan. 14, 1938; children—Eleanor M., Michael J.; Peter S. Bldg. constr., Washington, 1926-32; sales mgr. William Corcoran Hill Co., realtors, Washington, 1932-34; land appraiser Fed. Emergency Adminstrn. Pub. Works, Washington, 1934-36; exec. v.p. of Randall H. Hagner & Co., realtors, Washington, 1936-56; spec. asst. to the Pres. of U.S., Washington, 1956; commr. Pub. Bldg. Serv. Gen. Service Adminstrn., 1956-69; chmn. bd. dirs. Potomac Nat. Bank (Md.), 1960—, pres., 1962—, Past chmn. adv. com. Nat. Car. & Transp. Agcy. Mem. Commn. on Govt. Security, 1957-58. Past mem. Citizens Zoning Adv. Com.; mem. alumni council Princeton U.; asst. dir. Montgomery Country (Md.) chpt. A.R.C.; Hosp. Council of Washington Group Hospitalization, Inc., Washington; Past chn. Republican Pinetree Com. Montgomery County, Washington; Past chn. Emergency Hosp., Washington; past trustee, chmn. bd. Landon Sch. for Boys (Served as capt. F.A., U.S. Army, 1927-40. Mem. Nat. An. Real Estate Bds. (past regional v.p.), Washington Real Estate Bd., 1957-61). Clubs: Chevy Chase, Pinecroft (past pres.), Metropolitan, 1957-61. Press (Washington) Home: 11501 Pinney Meetinghouse Rd. Potomac, MD 20854. Office: Potomac National Bank Potomac, MD 20855.

McCONEY, DALE DURANT, business exec., b. Washington Courthouse, O., Mar. 10, 1928; s. Edwin O. and Ora (Emeric) McC., s. N.Y. U., 1951, M.B.A., 1953; m. Eleanor A. Intocesa, Sept. 4, 1945; 4 children—Dale D., ori. L., Dean E., Todd E. Mgr. Sr. Vice Newspapers, Inc., Chillicothe, O., 1940-45; examiner N.Y. 138 1949-50; personnel mgr. Am. Sugar Refining Co., 1952-55; mpr. relations Beech-Nut Life Savers, Inc. (merger Beech-Nut Co.) Corp. and Life Savers Corp.), Canajoharie, N.Y., 1955-56; dist. relations, 1956-59, v.p., 1959-60; v.p. United Fruit Co., 1960-62; exec. asst. to pres. and v.p. adminstr., 1962-66, group v.p., 1966-68; asst. Dale D. McConey Assoc., Norwood, Mass., 1968-; dir. A & W Root Beer Co., J. Hungerford Smith Co. & W Drive-Ins of Can., Jaskin-Robbins Ice Cream Co.; dir. House, Inc., Tropical Radio Telegraph Co.; instr. indst. relations Eastern U.P., 1952, lectr. rel. relations Bklyn. Coll., 1952 Mem. Governor's Bus. Assistance Com. N.Y., Trustee Amsterdam (N.Y.) City Hosp; mem. alumni adv. N.Y. U. Served with LSAF, World War II; to 1st Lt. LSAF.

Mr. Cleveland

6-26-73

O. E. Coleman

SPECIAL INQUIRIES
THE WHITE HOUSE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-92 BY SP4 BJA/DPW

432859

The White House has today requested investigations of the following individuals who are being considered for Presidential appointments, positions not indicated:

John Sherman Cooper - former United States Senator from Kentucky, currently serving as counsel with the law firm of Covington and Burling, Washington, D. C.

Gordon Llewellyn Allott - former United States Senator from Colorado

John Alex McCone - former Director of the Central Intelligence Agency (1961-1965)

No prior investigation has been conducted by the Bureau concerning Senator Allott.

At the request of The White House, we conducted an applicant-type investigation concerning Senator Cooper in 1954. The investigation was favorable. In 1947 a favorable applicant-type investigation was conducted concerning Mr. McCone, and this investigation has been brought up to date on four subsequent occasions, the latest being in 1961. The White House is in possession of the results of the investigations concerning these individuals. The Bureau has had cordial relations with Senators Cooper and Allott and Mr. McCone in the past. (77-65481, 161-1709, 77-40957)

ACTION: The requested investigations have been ordered separately to the field. The respective SACs have been instructed to advise Senators Cooper and Allott and Mr. McCone the Bureau has been requested to conduct the investigation, but not to indicate the request emanated from The White House. The field has also been instructed to conduct no neighborhood investigation without prior Bureau approval. You will be advised of any pertinent developments.

1 - Mr. Cleveland

(1) - Mr. Auerswald

OJA:vsb

(4)

161-1709-83

ENCLOSURE

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 26 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gehtardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Min. 2	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR 006 SE PLAIN

621PM NITEL 6-26-73 MMB

TO ACTING DIRECTOR (161-1709)

WFO (77-26669)

FROM SEATTLE (161-119) (P) 1P

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7-3-73 WITHOUT
FAIL.

RE BUREAU TELETYPE TO WFO, 6-26-73.

INQUIRY BY SEATTLE ASCERTAINED U.S. SENATORS HENRY M.
JACKSON AND WARREN G. MAGNUSON ARE BOTH IN THEIR WASHINGTON,
D.C. OFFICES.

WFO, INTERVIEW JACKSON AND MAGNUSON.

SPIN.

END.

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MSI FBIHQ ACK 2 CLR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
#432859

NOT RECORDED

9 AUG 15 1973

80 AUG 23 1973

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

NR011 SE PLAIN

JUN 28 1973

10:55 PM NITEL 6/27/73 DCA

TELETYPE

TO DIRECTOR, FBI (161-1709)

FROM SEATTLE (161-119) (P) 4P

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUREAU TEL TO WFO, 6/26/73.

FOLLOWING INVESTIGATION HAS BEEN CONDUCTED:

SATISFACTORY CREDIT AND NO ARREST RECORD LOCATED FOR
APPOINTEE AND WIFE AT SEATTLE.

"SEATTLE TIMES" NEWSPAPER LIBRARY CONTAINS NUMEROUS
CLIPPINGS FROM APPROXIMATELY 1950 WITH OUT-OF-STATE DATELINES
PERTAINING TO VARIOUS PRESIDENTIAL APPOINTMENTS OF MC CONE
AND ARTICLES CONCERNING HIM WHEN HE WAS ON ATOMIC ENERGY
COMMISSION AND DIRECTOR OF CIA. FOLLOWING CLIPPINGS FROM
THAT PAPER WITH SEATTLE DATELINE SUMMARIZED BY DATE OF PAPER:

8/29/62 - MC CONE AND MRS. PAUL PIGOTT MARRIED THAT DATE
IN SEATTLE, SHE MAINTAINED HER FORMER HOME IN THE HIGHLANDS,
SEATTLE. FOLLOWING THE MARRIAGE, HOME TO BE USED FOR ENTERTAINING
GROUPS. AFTER EUROPEAN VACATION WOULD RESIDE WASHINGTON, D.C.

6/27/73 - MR. AND MRS. MC CONE, WHO HAD MOVED FROM WASHING-
END PAGE ONE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

#432859

cc destroyed

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Boise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

Mr. Coleman
Room 1246

aylward

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161-170985
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9 AUG 15 1973

170 AUG 23 1973

9-2

PAGE TWO

SE 161-119

TON, D. C., TO SAN MARINO, CALIFORNIA, WERE EXPECTED IN SEATTLE FOR TWO-WEEK VACATION, PART OF WHICH TO BE SPENT CRUISING.

12/12/65 - MR. AND MRS. MC CONE EXPECTED IN SEATTLE FOR CHRISTMAS HOLIDAYS TO SPEND WITH HER CHILDREN AND GRAND-CHILDREN AND APPEARANCE AT CHRISTMAS BALL AT OLYMPIC HOTEL, SHE BEING MEMBER OF HOSTESS COMMITTEE OF BALL.

1/17/66 - MC CONE NAMED TO INTERNATIONAL TELEPHONE AND TELEGRAPH CORP BOARD OF DIRECTORS.

4/21/67 - MORE THAN 150 SEATTLE OPERA ASSOCIATION PATRONS DINED AND DANCED AT FORMAL DINNER PARTY LAST NIGHT AT THE HIGHLANDS HOME OF MR. AND MRS. MC CONE, WHO WERE IN THE RECEIVING LINE.

4/24/67 - MC CONE TO BE COMMENCEMENT SPEAKER AND RECEIVE HONORARY DEGREE FROM SEATTLE UNIVERSITY, 6/4/67, WIFE, THEILINE PIGOTT MC CONE, IS A SEATTLE UNIVERSITY REGENT.

6/4/67 - MC CONE AWARDED HONORARY DOCTORATE OF LAW DEGREE AT SEATTLE UNIVERSITY WHERE HE WAS COMMENCEMENT SPEAKER.

2/1/68 - MC CONE ELECTED TO BOARD OF DIRECTORS OF PACIFIC CAR AND FOUNDRY COMPANY. MC CONE, WHOSE HOME IS IN SAN MARINO,
END PAGE TWO

PAGE THREE

SE 161-119

CALIFORNIA, JOINS ENLARGED BOARD OF 8, CHARLES M. PIGOTT, PRESIDENT, REPORTED. MC CONE IS CHAIRMAN OF THE JOSHUA HENDY CORP., A CALIFORNIA INDUSTRIAL FIRM, AND IS DIRECTOR OF CALIFORNIA BANK OF LOS ANGELES, PACIFIC MUTUAL LIFE INSURANCE COMPANY, INDUSTRIAL INDEMNITY COMPANY, UNITED CALIF. BANK, AND STANDARD OIL COMPANY OF CALIFORNIA.

2/23/69 - INVITATIONS SENT TO THOSE CLOSELY ASSOCIATED WITH SEATTLE OPERA ASSOCIATION PAST FIVE YEARS TO DINNER DANCE THURSDAY IN MC CONE - PIGOTT HOME IN THE HIGHLANDS. PARTY WILL CELEBRATE SEATTLE OPERA ASSOCIATION'S 5TH ANNIVERSARY AND WILL HONOR DOROTHY KIRSTEN AND TWO OTHER METROPOLITAN OPERA STARS APPEARING IN THE ASSOCIATION'S PRODUCTION OF "TOSCA" AT OPERA HOUSE. SINCE MISS KIRSTEN IS A LONG-TIME FRIEND, MR. AND MRS. JOHN A. MC CONE WILL BE HERE FROM SAN MARINO, CALIFORNIA, FOR THE PARTY.

7/6/69- THE JOHN A. MC CONES ARRIVED FROM SAN MARINO, IN TIME TO HOST THE TRADITIONAL FAMILY 4TH OF JULY PARTY AT THEIR HOME IN THE HIGHLANDS.

END PAGE THREE

PAGE FOUR

SE 161-119

6/9/71 - MRS. MILTON KATIMS, WIFE OF THE SEATTLE SYMPHONY CONDUCTOR, BROUGHT BACK ENTERTAINING REPORT OF FESTIVITIES SURROUNDING OPENING OF JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS IN WASHINGTON, D.C. ALONG WITH SEVERAL SEATTLE-AREA FOLK WHO TRAVELED EAST FOR GALA PREVIEW, 5/27, MR. AND MRS. KATIMS WERE GUESTS AT THREE-PARTY DINNER GIVEN BY MR. AND MRS. JOHN MC CONE OF SAN MARINO, CALIFORNIA, AND SEATTLE, AT THE POSH CITY TAVERN CLUB IN GEORGETOWN. MRS. MC CONE WHOSE HUSBAND ONCE HEADED THE CIA, WAS WEST COAST CHAIRMAN OF THE GALA, AND HER DAUGHTER, MRS. T. EVANS WYCKOFF OF SEATTLE WAS WASHINGTON STATE CHAIRMAN. MRS. KATIMS REPORTED THAT THE STARRING GUESTS AT THE MC CONE DINNER WERE MAMIE, DAVID, AND JULIE EISENHOWER, AND MARTHA MITCHELL.

INVESTIGATION CONTINUING.

E N D

JPS FBIHQ CLR

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Galt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Roberts	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Harbo	_____
Mr. Hendon	_____
Mr. Jones	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Mr. Tele. Rm.	_____
Miss Holmes	_____
Miss Gandy	_____

NR 002 CV PLAIN

11:55AM URGENT 6-28-73 CLP

TO ACTING DIRECTOR, FBI (161-1709)

NEW YORK (161-799)

FROM CLEVELAND (161-903)

JOHN ALEX MC CONE; SPIN, BUDED 7-3-73, WITHOUT FAIL.

RE LOS ANGELES NITEL TO BUREAU AND NEW YORK, 6-27-73.

MRS. WILMA ECKEL, SECRETARY TO PRESIDENT, OWENS CORNING
FIBERGLASS (OCF), TOLEDO, OHIO ADVISED 6-28-73, GENERAL
LAURIS J. NORSTAD CURRENTLY MAINTAINS OFFICES AS DIRECTOR
OF OCF AT 717-5TH AVENUE, NEW YORK CITY, NEW YORK, 10022,
TELEPHONE PLAZA 9-3810, PERSONAL SECRETARY-MISS MARY KIND.

NEW YORK, AT NEW YORK CITY, NEW YORK, LOCATE AND
INTERVIEW BUSINESS ASSOCIATE GENERAL LAURIS J. NORSTAD.

END

MSE

FBIHQ

cc destroyed

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

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369
70 AUG 23 1973

161-1709-86
NOT RECORDED

9 AUG 15 1973

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-82 BY SP4BJA/DFW

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NR 039 LA PLAIN

956PM NITEL 6-27-73 GLD

TO ACTING DIRECTOR (161-1709)

ALEXANDRIA

BOSTON

CLEVELAND

NEW YORK (161-799)

SEATTLE

SAN FRANCISCO

WASHINGTON FIELD (77-26669)

FROM LOS ANGELES (161-385) (P)

5P

JOHN ALEX MC CONE; SPECIAL INQUIRY, BUDED 7/3/73,
WITHOUT FAIL.

RE BUREAU TELETYPE TO WASHINGTON FIELD, 6/26/73.

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION
OF MC CONE, WHO IS BEING CONSIDERED FOR PRESIDENTIAL
APPOINTMENT, POSITION NOT STATED. MC CONE WAS FORMERLY
DIRECTOR OF CENTRAL INTELLIGENCE AGENCY (CIA) 1961 TO
1965. BORN 1/4/02, SAN FRANCISCO, CALIFORNIA, AND CURRENTLY
RESIDES IN SAN MARINO, CALIFORNIA.

MISS BETTY BOTHE, APPOINTEE'S SECRETARY, FURNISHED
FOLLOWING INFORMATION THIS DATE: IN APPOINTEE'S ABSENCE.

APPOINTEE IS AWARE INVESTIGATION IS BEING CONDUCTED.
END PAGE ONE

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gebhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. Soyars _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Baise _____
Mr. Barnes _____
Mr. Bowers _____
Mr. Herington _____
Mr. Conmy _____
Mr. Mintz _____
Mr. Eardley _____
Mrs. Hogan _____

Copy

Mr. Coleman
1246
A. J. Wald

C

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9 AUG 15 1973

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PAGE TWO

LA 161-385

EMPLOYMENT: 1961 TO 1965, DIRECTOR, CIA, WASHINGTON,
D. C; 1965 TO SEPTEMBER 30, 1972 CHAIRMAN OF BOARD
OF HENDY INTERNATIONAL CORPORATION (HIC), LOS ANGELES;
SEPTEMBER 30, 1972 TO PRESENT, CONSULTANT TO BOARD
OF HIC, WHICH IS NOW DIVISION OF KAISER ALUMINUM AND
CHEMICAL CORPORATION, OAKLAND, CALIFORNIA. APPOINTEE
ALSO MEMBER OF BOARD OF DIRECTORS OF FOLLOWING CORPORATIONS:
INTERNATIONAL TELEPHONE AND TELEGRAPH (ITT), NEW
YORK, NEW YORK; STANDARD OIL OF CALIFORNIA, SAN FRANCISCO,
CALIFORNIA; UNITED CALIFORNIA BANK! LOS ANGELES, CALIFORNIA;
WESTERN BANK CORPORATION, LOS ANGELES, CALIFORNIA; PACIFIC
MUTUAL LIFE INSURANCE COMPANY, LOS ANGELES, CALIFORNIA;
AND PACCAR, INC., SEATTLE, WASHINGTON.

RELATIVES: APPOINTEE'S FIRST WIFE, ROSEMARY COOPER, DIED
IN DECEMBER, 1961. APPOINTEE MARRIED PRESENT WIFE,
THEILINE PIGOTT, IN AUGUST, 1962. APPOINTEE HAS NO BROTHERS.
TWO SISTERS, MRS. MARGARET AICHER, A WIDOW RESIDING
AT 670 WESTBRIDGE, PASADENA, CALIFORNIA, AND MRS. MARY LOUISE
END PAGE TWO

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PAGE THREE

LA 161-385

(DR. DONALD C.) SHELBY, 11922 SALT AIR TERRACE, LOS ANGELES, CALIFORNIA. A THIRD SISTER, ALICIA JOSEPHINE MC CONE, FORMERLY OF 3205 POLK STREET, ARLINGTON, CALIFORNIA, IS DECEASED.

LA

APPOINTEE HAD NO CHILDREN BY FIRST WIFE ROSEMARY. HIS SECOND WIFE HAD SIX CHILDREN BY HER FIRST HUSBAND AS FOLLOWS:

PAUL PIGOTT, JR., DECEASED; CHARLES (YVONNE) PIGOTT, 8723 OVERLAKE DRIVE, BELLEVUE, WASHINGTON; JAMES C. (GAYE) PIGOTT, 1603 EVERGREEN POINT ROAD, BELLEVUE, WASHINGTON; MRS. ANN PIGOTT (T. EVANS) WYCKOFF, THE HIGHLANDS, SEATTLE, WASHINGTON; MRS. THEILINE PIGOTT (HOWARD S.) WRIGHT, 12666 REDMOND-WOODINVILLE ROAD, REDMOND, WASHINGTON; AND MRS. MARY ELLEN PIGOTT (L. PATRICK) HUGHES, 8865 OVERLAKE DRIVE, BELLEVUE, WASHINGTON.

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REFERENCES: OTTO MILLER, CHAIRMAN OF BOARD, STANDARD OIL OF CALIFORNIA, SAN FRANCISCO; EDGAR KAISER, CHAIRMAN OF BOARD, KAISER ALUMINUM AND CHEMICAL CORPORATION, OAKLAND, CALIFORNIA; ASA CALL, PACIFIC MUTUAL LIFE INSURANCE COMPANY, LOS ANGELES, CALIFORNIA.

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LA

BUSINESS AND SOCIAL ACQUAINTANCES: CHARLES PIGOTT
END PAGE THREE

PAGE FOUR

LA 161-385

(STEPSON), PRESIDENT OF PACCAR, INC., SEATTLE, WASHINGTON;
FREDERICK CHURCH, PARTNER IN BOIT, DALTON AND CHURCH, BOSTON,
MASSACHUSETTS; SENATOR STUART SYMINGTON, WASHINGTON, D. C.;
JOSEPH ALSOP, COLUMNIST, WASHINGTON, D. C.; CHARLES J. V.
MURPHY, WRITER FOR TIME, INC., RESIDING AT 1698 32ND STREET,
NORTHWEST, WASHINGTON, D. C.; WILLIAM ROGERS, SECRETARY OF
STATE, WASHINGTON, D. C.; GENERAL LAURIS J. NORSTAD, PRESI-
DENT, OWENS CORNING FIBERGLASS, INC., TOLEDO, OHIO; DAVID
PACKARD, HEWLETT, PACKARD, INC., PALO ALTO, CALIFORNIA;
ROBERT BRIDGES, PARTNER IN THELEN, MARRIN, JOHNSON, AND
BRIDGES, SAN FRANCISCO, CALIFORNIA; JUAN TRIPPE, PAN
AMERICAN AIRLINES, NEW YORK CITY; HAROLD GINEEN, CHAIRMAN
OF BOARD, ITT, NEW YORK CITY.

ALL OFFICES HANDLE INDICATED LEADS.

MISS BOTHE STATED SHE HAS WORKED FOR APPOINTEE AS HIS
PERSONAL SECRETARY FROM JANUARY, 1969, TO PRESENT TIME.
SHE WAS FORMERLY SECRETARY TO PRESIDENT OF HIC, WHO IS
NOW DEAD, AND SHE KNEW APPOINTEE WELL FOR TEN YEARS PRIOR
TO TIME SHE BECAME HIS SECRETARY. SHE EXPRESSED HIGHEST
REGARD FOR HIS CHARACTER, INTEGRITY, REPUTATION, MORAL,
BUSINESS, AND SOCIAL ETHICS. SHE SAID APPOINTEE HAS RECEIVED
END PAGE FOUR

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PAGE FIVE

LA 161-385

NUMEROUS AWARDS FOR HIS PUBLIC ACCOMPLISHMENTS. AS A MEMBER OF BOARD OF DIRECTORS OF ITT, HE TESTIFIED BEFORE THE CHURCH COMMITTEE IN WASHINGTON, D. C. INVESTIGATING THE ITT SCANDAL BUT WAS ABSOLVED OF ANY WRONGDOING. LOYALTY TO UNITED STATES UNQUESTIONED AND RECOMMENDS WITHOUT RESERVATION.

DUE TO URGENT NATURE OF REQUEST, IT IS IMPERATIVE BUDED BE MET WITHOUT FAIL. NO DELAY WILL BE TOLERATED.

INVESTIGATION CONTINUING AT LOS ANGELES.

SPIN.

END

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FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

NR003BS PLAIN

5/35PM NITEL 6/28/73 REC

TO ACTING DIRECTOR (161-1709)
FROM BOSTON (161-669) (RUC)

JOHN ALEX MC CONE; SPIN; BUDED: 7/3/73 WITHOUT FAIL.

RE LOS ANGELES NITEL TO BUREAU DATED 6/27/73.

CLOSE ASSOCIATE: ON 6/28/73, FREDERICK CHURCH, SR.,
BEVERLY FARMS, BEVERLY, MASS., WAS INTERVIEWED AT THE
LILCOLN-FILENE'S CENTER, TUFTS UNIVERSITY, MEDFORD,
MASS., AND PROVIDED THE FOLLOWING INFORMATION.

CHURCH HAS KNOWN APPOINTEE SINCE THE MID NINETEEN
FORTIES AND CONSIDERS HIM TO BE A VERY CLOSE PERSONAL
FRIEND. CHURCH IS ALSO VERY FAMILIAR WITH APPOINTEE'S
WIFE, AS WELL AS HIS FIRST WIFE WHO IS NOW DECEASED.
APPOINTEE IS A VERY ABLE INDIVIDUAL AND A VERY NICE GUY,
WHOSE CHARACTER AND MORALS ARE EXCELLENT. APPOINTEE WAS
UNQUESTIONABLY A LOYAL AMERICAN CITIZEN AND HAS SERVED
AS DIRECTOR OF CENTRAL INTELLIGENCE AGENCY AND ATOMIC
ENERGY COMMISSION. CHURCH STATED THAT HE SEES APPOINTEE
AS OFTEN AS POSSIBLE AND HAS VACATIONED WITH HIM DURING
END PAGE ONE

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gebhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. Soyars _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Baise _____
Mr. Barnes _____
Mr. Bowers _____
Mr. Herington _____
Mr. Conmy _____
Mr. Mintz _____
Mr. Eardley _____
Mrs. Hogan _____

✓ Mr. Coleahan
Rm: 1246

Ameyford

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PAGE TWO

THE PAST TWO WINTERS. HE KNOWS OF NOTHING THAT WOULD PRECLUDE APPOINTEE BEING EMPLOYED BY THE UNITED STATES GOVERNMENT, AND HE ADDED THAT THE U.S. GOVERNMENT WOULD BE EXTREMELY FORTUNATE TO HAVE SOMEONE OF APPOINTEE'S CALIBER. CHURCH STATED HE WOULD RECOMMEND APPOINTEE FOR ANY POSITION WITH THE UNITED STATES GOVERNMENT.
END

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 23 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR005 SE PLAIN

5:47 PM NITEL 6/28/73 DCA

TO DIRECTOR, FBI (161-1709)

FROM SEATTLE (161-119) 1P

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUREAU TEL TO WFO, 6/26/73.

FOLLOWING INVESTIGATION HAS BEEN CONDUCTED:

CURRENT RESIDENCES OF STEP-CHILDREN VERIFIED, REPUTATIONS EXCEL-
LENT. NO ARREST RECORDS LOCATED FOR STEP-CHILDREN OR SPOUSES.

INVESTIGATION CONTINUING.

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FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

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NR 031 LA PLAIN

702 PM NITEL 6/28/73 RWM

TO ACTING DIRECTOR (161-1709)

FROM LOS ANGELES (161-385) (P) 4P.

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gerhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. S. _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Boice _____
Mr. Barnes _____
Mr. Egan _____
Mr. H. _____
Mr. Conmy _____
Mr. Minz _____
Mr. Hardley _____
Mrs. Hogan _____

JOHN ALEX MC CONE, SPIN, BUDED 7/3/73 WITHOUT FAIL.

RE LOS ANGELES TEL TO BUREAU 6/27/73.

EMPLOYMENT - JOSHUA HENDY CORPORATION (JHC) AND HENDY INTERNATIONAL CORPORATION (HIC), 612 SOUTH FLOWER STREET, LOS ANGELES, CALIFORNIA.

JOSEPH M. TESCHER, VICE PRESIDENT IN CHARGE OF ADMINISTRATION, HIC, A SUBSIDIARY OF KAISER ALUMINUM AND CHEMICAL CORPORATION (KAC), 612 SOUTH FLOWER STREET, LOS ANGELES, ADVISED HE MET APPOINTEE IN JANUARY 1946, WHEN HE BECAME CONTROLLER OF JHC. APPOINTEE WAS PRESIDENT OF JHC AT THAT TIME. APPOINTEE WAS ALSO PRESIDENT OF CALIFORNIA SHIP BUILDING COMPANY (CSC). IN 1947, CSC BECAME A PART OF JHC AND IN 1949 JHC BOUGHT A NAVY SHIP OPERATING CONTRACT FROM PACIFIC TANKERS, INC., SOLD ITS ENGINE AND TURBINE MANUFACTURING PLANTS AND WENT INTO THE SHIPPING

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LA 161-385

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BUSINESS WHICH IT HAS CARRIED ~~ON TO THE PRESENT TIME.~~

HIC WAS ORGANIZED IN THE EARLY 1960'S AND THE SHIP OPERATING CONTRACTS OF JHC WERE TRANSFERRED TO HIC.

JHC WAS LIQUIDATED IN DECEMBER 1969. THE APPOINTEE WAS VARIOUSLY PRESIDENT, CHAIRMAN OF THE BOARD AND PRINCIPAL STOCK HOLDER OF JHC AND HIC UNTIL SEPTEMBER 1972, WHEN HIC BECAME A SUBSIDIARY OF KAC. APPOINTEE IS NOW A CONSULTANT TO THE BOARD OF DIRECTORS OF HIC.

DURING THE TIME APPOINTEE WAS DIRECTOR OF THE ATOMIC ENERGY COMMISSION AND THE CENTRAL INTELLIGENCE AGENCY HIS INTERESTS IN THE COMPANIES WERE PUT IN TRUST.

TESCHER STATED THAT THE APPOINTEE CURRENTLY IS INVOLVED IN A DISPUTE WITH THE INTERNAL REVENUE SERVICE OVER THE LIQUIDATION OF JHC. A TAX RETURN PREPARED BY THE FIRM'S TAX LAWYERS AND ACCOUNTANTS WAS FILED CONCERNING THAT LIQUIDATION AND THE APPOINTEE PAID OVER ONE MILLION DOLLARS IN INCOME TAX FOR THAT YEAR. THE INTERNAL REVENUE SERVICE HAS CONDUCTED AN INVESTIGATION CONCERNING THE LIQUIDATION AND MADE SOME FURTHER TAX ASSESSMENTS AMOUNTING TO ABOUT THREE POINT SIX MILLION DOLLARS. MC CONE AND THE COMPANY DISPUTE THIS AND HAVE TAKEN THE CASE TO THE APPELLATE DIVISION

END PAGE TWO

LA 161-385

PAGE THREE

OF THE INTERNAL REVENUE SERVICE OF LOS ANGELES. ABOUT THREE MONTHS AGO THE INTERNAL REVENUE SERVICE AGENT HANDLING THE CASE ADVISED TESCHER THAT INTERNAL REVENUE SERVICE WAS WITHDRAWING THE ASSESSMENTS, AGREED WITH SOME OF THE DEDUCTIONS CLAIMED BY MC CONE, AND WOULD ISSUE NEW ASSESSMENTS. NOTHING FURTHER HAS BEEN HEARD FROM INTERNAL REVENUE SERVICE IN THIS MATTER.

TESCHER STATED THAT APPOINTEE IS THE FINEST MAN HE HAS EVER MET. HE DESCRIBED HIS CHARACTER, INTEGRITY, HONESTY, MORAL STANDARDS, BUSINESS ETHICS AND GENERAL REPUTATION AS OUTSTANDING. HE HAS BEEN VITALLY INTERESTED IN NATIONAL AND COMMUNITY AFFAIRS, HAS INVOLVED HIMSELF WITH NUMEROUS COMMISSIONS AND COMMITTEES DEVOTED TO THE PUBLIC GOOD AND HAS RECEIVED MANY AWARDS FOR HIS ACCOMPLISHMENTS. HIS ASSOCIATES ARE ALL INDIVIDUALS OF EXCELLENT REPUTATION AND HE HAS NEVER BEEN INVOLVED IN ANY SCANDAL OR NOTORIETY. HE IS A VERY ASTUTE AND INTELLIGENT BUSINESSMAN AND THE COMPANIES HE HAS BEEN ASSOCIATED WITH HAVE PROSPERED UNDER HIS DIRECTION. HE IS AN EXTREMELY ABLE ADMINISTRATOR. HIS LOYALTY TO THE UNITED STATES IS UNQUESTIONED AND TESCHER RECOMMENDED HIM WITHOUT RESERVATION FOR ANY POSITION OF TRUST.

END PAGE THREE

LA 161-385

PAGE FOUR

CAPTAIN THEODORE W. ANDERSON, PRESIDENT OF HIC, WHO HAS KNOWN APPOINTEE SINCE 1949 WHEN JHC TOOK OVER THE CONTRACTS FROM PACIFIC TANKERS, INC., WHICH LATER BECAME A DIVISION OF JHC. ^{ANDERSON}~~APPOINTEE~~ WAS OFFICER OF PACIFIC TANKERS AND LATER IN 1954 BECAME AN OFFICER IN JHC. HE COMMENTED IN SIMILAR FASHION CONCERNING APPOINTEE.

FREDERICK GRAHAM, CHIEF, APPELLATE DIVISION, INTERNAL REVENUE SERVICE, LOS ANGELES, ADVISED THIS DATE THAT HIS DIVISION CURRENTLY HAS A PENDING CASE CONCERNING APPOINTEE, BUT INTERNAL REVENUE SERVICE REGULATIONS PROHIBIT DISCLOSURE OF ANY INFORMATION CONCERNING THE CASE. HE SAID THAT ANY INFORMATION CONCERNING IT WOULD HAVE TO BE OBTAINED FROM THE COMMISSIONER OF INTERNAL REVENUE IN WASHINGTON, D.C.

THE BUREAU MAY WISH TO CONTACT THE COMMISSIONER OF INTERNAL REVENUE CONCERNING THE ABOVE DISPUTE.

INVESTIGATION CONTINUING AT LOS ANGELES.

SPIN.

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to
WFO

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Date: 6/28/73

Transmit the following in _____
(Type in plaintext or code)Via Airtel _____
(Priority)

TO: ACTING DIRECTOR, FBI (161-1709)
FROM: SAC, NEW YORK (161-799) (P)
SUBJECT: JOHN ALEX MC CONE
SPECIAL INQUIRY
BUDED: 7/3/73

ReButel, 6/26/73.

On 6/28/73, WILLIAM DONOVAN, Assistant Secretary, ITT Corporation, 320 Park Avenue, NY, NY, advised appointee member of Board of Directors since 1966. DONOVAN has seen appointee but not personally acquainted. Stated that any comments concerning appointee would have to be made by HAROLD GINEEN, Chairman of Board, or JOHN P. NAVIN, Vice President and Corporate Secretary.

GINEEN out of country for two weeks and NAVIN not available until next Monday at earliest.

JUAN TRIPPE, Honorary Chairman of Board, Pan American World Airways, Pan Am Building, NY, NY, out of the country until Monday next at earliest.

Comments of NAVIN and TRIPPE will be submitted immediately upon receipt.

1-Bureau
1-New York

JAT:jas
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Spec. Inq.

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

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Date: 6/29/73

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(Priority)TO: SACS, BOSTON
DENVER

SPRINGFIELD

WFO (77-26669)

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FROM: SAC, ALEXANDRIA (161-2146)(P)

JOHN ALEX MC CONE SPI. BUDED: 7/3/73 WOF

REBUTEL TO WFO, 6/26/73.

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION OF MC CONE WHO IS BEING CONSIDERED FOR PRESIDENTIAL APPOINTMENT, POSITION NOT STATED. MC CONE WAS FORMERLY DIRECTOR OF CENTRAL INTELLIGENCE AGENCY (CIA) 1961 TO 1965. BORN 1/4/02, SAN FRANCISCO, CALIF., AND CURRENTLY RESIDES IN SAN MARINO, CALIF.

INVESTIGATION AT CIA REVEALS FOLLOWING INDIVIDUALS AS FORMER CLOSE ASSOCIATES OF APPOINTEE DURING HIS TENURE THERE: LT. GEN. MARSHALL S. CARTER (USA - RET), 2520 HILL CIRCLE, COLORADO SPRINGS, COLORADO; LYMAN B. KIRKPATRICK, ANAWAN CLIFFS DR., BOX 98, RD #2, NARRAGANSETT, RHODE ISLAND; COL. LAWRENCE K. WHITE (RET), NEW PIASA CHAUTAUQUA, ELSAH, ILL., HIS SUMMER HOME; ROBERT L. BANNERMAN, P.O. BOX 32, SANTA ROSA BEACH, FLA; DEBRONSON TWEEDY, 5310 WOODLAWN TERRACE.

1 - Bureau
1 - Alexandria
ERR:asd

Approved: (2)UG 23/8 Special Agent in Charge

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U.S. Government Printing Office: 1972-3455-574

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PAGE TWO

KENWOOD, MARYLAND AND SHERMAN KENT, 2824 CHAIN BRIDGE ROAD,
N.W., WASHINGTON, D.C.

RESPECTIVE OFFICES HANDLE INTERVIEWS.

DUE TO URGENT NATURE OF REQUEST, BUREAU HAS
INSTRUCTED IT IS IMPERATIVE BUDED BE MET WITHOUT FAIL AND
NO DELAY WILL BE TOLERATED.

INVESTIGATION CONTUING AT ALEXANDRIA.

MAIL COPY FURNISHED BUREAU. P

Approved: _____
Special Agent in Charge

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FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 29 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
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Mr. Barnes	_____
Mr. Boz	_____
Mr. Herndon	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR005 SE PLAIN

7:28 PM NITEL 6/29/73 DCA

TO DIRECTOR, FBI (161-1709)

FROM SEATTLE (161-119) (P) 4P

JOHN ALEX⁰ MC CONE, SPECIAL INQUIRY.

RE BUREAU TELETYPE TO WFO, 6/26/73.

FOLLOWING INVESTIGATION HAS BEEN COMPLETED:

MR. MILTON KATIMS, CONDUCTOR, SEATTLE SYMPHONY ORCHESTRA, HAS MET APPOINTEE AND WIFE SOCIALLY AT CULTURAL AND CIVIC AFFAIRS PAST 10 OR 12 YEARS; ALSO MET MRS. ANN WYCKOFF AND MR. AND MRS. HOWARD S. WRIGHT (DAUGHTERS OF MRS. MC CONE); THEY ARE ACTIVE IN CULTURAL AND CIVIC AFFAIRS IN SEATTLE AND ENJOY EXCELLENT REPUTATIONS. KATIMS RECOMMENDED APPOINTEE HIGHLY.

WILLIAM M. ALLEN, SR., FORMER CHAIRMAN OF BOARD AND CHIEF EXECUTIVE OFFICER, THE BOEING COMPANY, PRESENTLY SPECIAL CONSULTANT TO THE BOEING COMPANY, RESIDES IN THE HIGHLANDS, SEATTLE, HAS KNOWN MC CONE INTIMATELY FOR 30 YEARS; ALLEN AND MC CONE SERVED TOGETHER ON BOARD OF DIRECTORS OF STANDARD OIL COMPANY; ALLEN DESCRIBED MC CONE AS VERY CAPABLE, HONEST, HIGH PRINCIPLED, LOYAL AND DEDICATED. ALLEN HAS KNOWN MC CONE'S PRESENT WIFE AND ALL OF HER CHILDREN FOR MANY YEARS;

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PAGE TWO

SE 161-119

ALL ARE PERSONS OF EXCELLENT CHARACTER, REPUTATION, LOYALTY AND ASSOCIATES AND ALLEN WOULD GIVE MC CONE HIGHEST RECOMMENDATION.

WOOLVIN PATTON, SEATTLE ATTORNEY, HAS MET MC CONE AND WIFE SOCIALLY PAST 10 YEARS AND HAS BEEN VERY FAVORABLY IMPRESSED; HAS NEVER HEARD OR OBSERVED ANYTHING THAT WOULD REFLECT ADVERSELY ON THEIR CHARACTER, ASSOCIATIONS, REPUTATION OR LOYALTY; PATTON KNEW THE PIGOTT DAUGHTERS TO A LESSER EXTENT BUT STATED THEY HAVE EXCELLENT REPUTATIONS; RECOMMENDED MC CONE FAVORABLY.

A. STEWART BALLINGER, OWNER AND MANAGER OF BELLEVUE EASTSIDE RADIO LIMITED, HAS RESIDED IN THE HIGHLANDS, SEATTLE, ALL HIS LIFE; BALLINGER HAS BEEN A CLOSE FRIEND OF MC CONE FOR MANY YEARS AND MET APPOINTEE ABOUT 10 YEARS AGO AND HAS VISITED HIM SOCIALLY FREQUENTLY SINCE THAT TIME; BALLINGER HAS HAD CLOSE ASSOCIATION WITH ALL THE PIGOTT CHILDREN OVER THE YEARS AND SPEAKS HIGHLY OF ALL OF THEM; BALLINGER HAS VERY HIGH REGARD FOR MC CONE AND RECOMMENDED HIM FAVORABLY FOR PRESIDENTIAL APPOINTMENT.

PAUL S. FRIEDLANDER, OWNER, FRIEDLANDER AND SONS JEWELERS, PRESIDENT OF PORT OF SEATTLE, PATRON OF THE ARTS, VISITED WITH THE MC CONES IN WASHINGTON, D.C., WHEN MC CONE WAS CIA DIRECTOR; HAS
END PAGE TWO

PAGE THREE

SE 161-119

KNOWN MRS. MC CONE AND HER CHILDREN AND THEIR SPOUSES FOR MANY YEARS; RECOMMENDED ALL HIGHLY WITH REGARD TO CHARACTER, REPUTATION, LOYALTY AND ASSOCIATES; STATED HE COULD ONLY USE SUPERLATIVES IN DESCRIBING MC CONE AND ADDED "THERE ISN'T A FINER MAN IN THE UNITED STATES." GAVE THE VERY HIGHEST RECOMMENDATION AND STATED U. S. GOVERNMENT WOULD BE VERY FORTUNATE TO HAVE HIM.

HAROLD H. HEATH, PRESIDENT, GLASSFORM, INC., CHAIRMAN EMERITUS OF HEATH TECNA CORPORATION, KENT, WASHINGTON, PAST PRESIDENT, SEATTLE OPERA ASSOCIATION, HAS KNOWN MC CONE AND WIFE SOCIALLY ABOUT 3 OR 4 YEARS; HAS KNOWN PIGOTT CHILDREN AND SPOUSES OVER A LONG PERIOD OF TIME SOCIALLY; STATED MC CONES AND CHILDREN ARE HIGHLY INTELLIGENT, MORAL, ETHICAL, RESPONSIBLE, CIVIC-MINDED PATRIOTIC PEOPLE; STATED "IT IS A PLEASURE TO BE ABLE TO RECOMMEND MC CONE FAVORABLY."

DR. WILLIAM A. GUPPY, ACADEMIC VICE PRESIDENT AND ACTING PRESIDENT OF SEATTLE UNIVERSITY, ADVISED LOUIS GUFFNEY, PRESIDENT, SEATTLE UNIVERSITY, IN HOSPITAL CONFINEMENT AND UNAVAILABLE FOR INTERVIEW; GUPPY STATED ANN WYCKOFF, STEP-DAUGHTER OF APPOINTEE, HAS BEEN MEMBER OF SEATTLE UNIVERSITY BOARD OF REGENTS SINCE 1972; MRS.
END PAGE THREE

PAGE FOUR

SE 161-119

MC CONE WAS MEMBER OF BOARD OF REGENTS, 4/61 - 9/68; GUPPY STATED NOBODY PRESENTLY AT SEATTLE UNIVERSITY IS PERSONALLY ACQUAINTED WITH EITHER MR. OR MRS. MC CONE.

EDGAR A. CARPENTER, ASSISTANT SECRETARY, PACCAR, INC., BELLEVUE, WASHINGTON, ADVISED CHARLES PIGOTT IS PRESIDENT OF PACCAR, INC; MC CONE WAS APPOINTED MEMBER OF BOARD OF DIRECTORS OF PACCAR, INC., IN 1968 AND IS PRESENTLY IN SAME CAPACITY; CARPENTER NOT WELL ACQUAINTED PERSONALLY WITH MC CONE BUT KNOWS HIM BY HIS EXCELLENT REPUTATION; MC CONE VERY HIGHLY REGARDED IN COMPANY AND CARPENTER KNOWS NOTHING ADVERSE CONCERNING HIS CHARACTER, REPUTATION, LOYALTY AND ASSOCIATES; MR. O'BRIEN, THE COMPANY OFFICIAL WHO HAS MOST CONTACT WITH MC CONE OTHER THAN PIGOTT, UNAVAILABLE FOR INTERVIEW.

INVESTIGATION CONTINUING.

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LA 161-385

U.S. MUST RELY ON 'BIG WAR' ATOM ARSENAL, M'CONE SAYS

BY DON SHANNON

Times Washington Bureau

WASHINGTON, Aug. 2—

The United States must rely on a nuclear arsenal capable of winning a big war, John McCone, Los Angeles shipping executive and former Undersecretary of the Air Force, told an Air Force Association symposium today. "Arguments that our capacity for nuclear retaliation has been stalemated do not impress me," McCone declared. "Neither we nor the Soviets can afford to lay aside weapons of great technological advantage, as doing so would mean an investment of manpower and resources in outmoded forces."

McCone added:

"I hope that our strategic policy insofar as its general weight and direction can be measured will concentrate our resources primarily on our capacity to put down a general war. By so doing, we will do two things: first, deter general war, and, secondly, will establish ample capability to win a local war should one be forced upon us."

Feeling of Allies

Asked by a newsman if he knows the feelings of allied nations toward a U.S. policy of reliance upon nuclear weapons, the speaker said:

"There has been a change since the days when European allies feared such a policy. Now there is general recognition that atomic weapons

do not necessarily mean mass destruction but they can be brought down to battlefield size. There is a growing recognition that they must be used."

McCone also called for strengthening the control of the Secretary of Defense over the three services and the installation of a single chief of staff to bring the unification envisioned by the original act.

McCone agreed with a questioner that President Eisenhower, as a popular leader with a military background, must supply the impetus to put such a plan through Congress.

"I do know that in 1947 and 1948 Gen. Eisenhower put forward some of these ideas," the speaker said. "He was in favor of a single chief of staff and tended in the direction of a single service."

Both McCone and Rep. George Mahon (D) Tex., chairman of the House Subcommittee on Defense Appropriations, agreed that the public will not tolerate defense spending above the present level. Mahon also contended that substantial savings must come from cutting out duplication in the Defense Department.

Missile Review

Both speakers asserted that the basic roles of each of the services must be reassessed if the taxpayers are to be relieved of financing duplicate missiles.

Mahon denied that he believes a tax reduction can be achieved by cutting defense spending.

"My thought is that if there is no dramatic change in the international situation, the level of defense spending for the next few years will be in the area of 35 to 39 billion dollars per year, about the level we now have," the Congressman said. "That sum expended annually

ought to provide us with a reasonably adequate defense program but it will not do it unless we take the necessary steps to acquire more in value for the defense dollar."

W. Barton Leach, chairman of Harvard University's defense studies program, scored "shotgun economics" of those who contend that the United States cannot spend more than the present defense budget. Elliot Janeway, president of Janeway Publishing and Research Corp., decried the subordination of defense policy to economic policy.

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Unemployment Danger

"The question about the budget is not whether we are going over the debt limit," he said. "The question is whether for the inflation we are involved in, we are getting more or less defense."

Janeway, an economist, contended that the recent refinancing of Treasury bonds at 4% cost the government 4 billion dollars, more than twice the amount saved by the "freeze" on military spending. He contended that the Treasury is figuring its tax income dangerously close to the inflation-adjusted national income.

"If there is any interruption in employment other than in Southern California, then the pot of soup available to the Secretary of Treasury is going to be much less," he warned.

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Head of Central Intelligence Agency Possesses Great Power

BY DREW PEARSON

Some people may wonder why I have been writing so much about John McCone, now up for Senate confirmation as head of Central Intelligence. They may wonder whether I have a personal grudge against McCone. The fact is I have nothing against McCone personally, don't believe I've ever met him.

But the most important person molding U.S. foreign policy, next to the President, is probably the head of Central Intelligence. The public doesn't realize this, but it's true.

★

The head of CIA can depose kings or presidents, foment revolution, take us close to war. Furthermore, he doesn't have to report to Congress, or even to the General Accounting Office for the money he spends.

His power results from two facts:

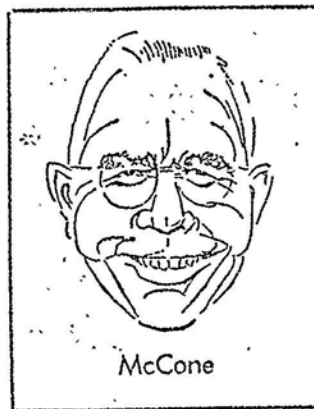
- 1 — He can use money and agents to subvert and undermine a foreign government and nobody in Congress knows about it.
- 2 — He reports to the President. And the man who reports the facts on a foreign situation to be a certain way has the power to make decisions.

Let's take some examples.

★

The Cuban fiasco: In April, 1961, following the tragic failure at the Bay of Pigs, Secretary of State Rusk informed a seminar of editors in Washington that "the intelligence from Cuba was inaccurate and very poor," while Roger Hilsman Jr., chief of State Department Intelligence, informed a newsmen, "Our information on Cuba was quite different from CIA's but we were not consulted."

In brief, CIA had informed President Kennedy



that conditions inside Cuba were ripe for revolution, that the Cuban people would rise up to join the freedom fighters.

Mr. Kennedy believed these facts to be accurate and made the wrong decision.

★

Business money behind CIA: After the Bay of Pigs fiasco, I reported that certain U.S. business firms, one of them a big oil company, had put up several hundred thousand dollars to finance the Cuban freedom fighters.

This meant that foreign policy was further divorced from the constitutional channels of government and financed by private corporations with a property stake in Cuba.

However, this is the way CIA operates. Corporation heads are given the privilege of looking through CIA files. Corporation officials abroad influence and co-operate with CIA agents.

Operations in Spain: After Prof. Jesus de Galindez was kidnapped from New York in 1956, Allen Dulles phoned Dist. Atty. Frank Hogan in New York, asking that a CIA agent be permitted to look over the Galindez papers. It then became known that CIA had put up \$1 million for Galindez to operate a Basque network in Spain.

The Basques hate Franco, so this network could only have worked against Franco, who has given the United States military bases.

★

The State Department knew nothing about this. Operations in Costa Rica: In 1953-54, President Figueres of Costa Rica discovered that a CIA agent was tapping his telephone. The agent was caught.

Figueres was probably the most pro-American of the Central American presidents, and the discovery of a phone tap didn't help our relations.

This is a cross-section of the amazing network of intelligence and espionage operations which will come under the man who heads CIA and who, because of his power, must be examined for conflicts of interest and other qualifications.

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DREW PEARSON

McCone Did Top-Notch CIA Job

It never hurts a newspaperman — or, I guess, anyone else for that matter—to confess that he has made a mistake. I want to make such a confession regarding a man whose confirmation I vigorously opposed as chief of central intelligence — John McCone.

It is my opinion today McCone has done an efficient, self-effacing, democratic job of directing one of the most sensitive and difficult branches of government, the so-called spy agency of the United States.

This kind of job has to be self-effacing. It also requires a man who has the confidence of the public and of Congress. For unlike the other branches of government which are constantly under scrutiny by the press and congressional committees, CIA gets almost no examination by Congress.

Millions of dollars may be spent in certain countries to combat Communist subversion with no one knowing about it except a handful of executives. Other millions are spent studying maps, newspapers, educational reports of sensitive areas of the world.

Under these difficult circumstances John McCone has done a good job, and I am happy to say so and congratulate him, as he now leaves public office.

The old-time medicine man who peddled snake oil and root juices was a piker compared with the swindlers who fleece old people out of millions of dollars a year in fake health cures. This is the conclusion of Sen. Harrison Williams (D-N.J.), chairman of a Senate subcommittee which has been probing quackery.

"Today's high-pressure quacks and health fraud promoters do not regard customers as buyers to be served, but as pigeons to be plucked," Williams warns.

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"It is almost impossible," he says, "for law enforcement officers to keep abreast of the tide of mass mailings, the slippery language in television commercials and highly mobile pitchers who infest the fringes of the medical profession and the honest business community."

However, Chairman Paul Rand Dixon of the Federal Trade Commission has announced that he will ask Congress for funds to establish a new office of federal-state cooperation to step up enforcement of anti-trust, anti-deception and consumer-protection laws.

Sen. Williams is drafting a bill to require pre-marketing testing of various health devices.

Defense Secretary Robert McNamara and Rep. Ed Hebert (D-La.) are both concerned with a strong national defense, but seldom agree on anything. Especially they don't agree on McNamara's proposal to merge the Army reserves and the National Guard.

"I think you have defied the law," Hebert charged at one hot session of the House Armed Services Committee. "You have arrogated to yourself powers that I don't believe you have."

The defense chief coolly denied this, saying that Hebert had "completely misquoted" him. The debate got hotter as Hebert suggested in courtly tones: "A man is so foolish, particularly a man of your brilliance and astuteness, to say, 'I am going to give you a fair trial before I hang you.'"

"May we stop the record here!" demanded McNamara. "You didn't use the words 'stay the execution.'"

"Let's not play on words," shrugged Hebert. "I'm not playing on words."

"All right. You won't stop the action?"

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"No. I don't," shot back McNamara, pointing out that Congress would have to provide funds for the Reserves and the National Guard, thus has the last word. "This is what the lawyers tell me."

"Don't let the lawyers get into it," groaned Hebert.

"Mr. Hebert made some strong statements about the way we handle laws passed by Congress, as to whether we pay attention to the intent of those laws," demurred McNamara. "I think those statements are groundless and do a great disservice."

"Mr. Secretary, I have been making statements long before you came to Washington about the interpretation of laws downtown," replied Hebert. "I don't recognize the laws when they get interpreted. So it is not a question of it beginning with you."

"Well, I am happy to know that, Mr. Hebert," cracked the secretary of defense. "It does relieve me some."

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PERSONALITY IN THE NEWS

McCone Accustomed to Hard Assignments

BY DICK MAIN

Times Staff Writer

Taking on challenging jobs is nothing new to John A. McCone, who was asked Thursday by Gov. Brown to head an investigation of Los Angeles riots.

The white-haired, driving 63-year-old industrialist who headed both a shipbuilding company and an aircraft engineering center in World War II, has served four Presidents on special assignments.

McCone told reporters who met him at International Airport after a flight from Washington that he had been notified of his latest job by telephone call.

'Anything to Help'

"I told him (Gov. Brown) that I would do anything I could to help him and my community."

His words were reminiscent of his reply in September, 1961, when President John F. Kennedy appointed him as director of the Central Intelligence Agency.

McCone, a Republican who supported Vice President Richard M. Nixon's bid for the Presidency and who had served as head of the Atomic Energy Commission under President Eisenhower, said he was hesitant at first.

But when asked to take the job, he answered simply, "I will do my best."

A native of San Francisco, McCone was graduated from the University of California's College of Engineering in 1922. But the young college graduate didn't look for a white collar job. He went to work as a riveter and boilermaker in Los Angeles.

He advanced to plant superintendent and later, after a merger, became executive vice president and director of Consolidated Steel Corp.

Became Shipbuilder

Later he headed the Bechtel — McCone Corp., which modified Army Air Force bombers during the war, and the California Shipbuilding Corp. The latter company built 467 ships worth \$1 billion.

His first federal service was on the Air Policy Commission. Later he was appointed Air Force under secretary during the administration of President Harry S. Truman.

McCone resigned as CIA director early this year, but offered to stay on until President Johnson could pick a successor. He had hoped to retire to his San Marino home, but now he has a new job.

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**McCone Voted
In as Director
of IT&T Corp.**

WASHINGTON (UPI) —
John A. McCone, former
director of the Central Intel-
ligence Agency, has been
elected to the board of direc-
tors of International Tele-
phone & Telegraph Corp., it
was announced Sunday.

McCone was named in
1961 to head the CIA. He re-
signed the post last April to
resume his former business
activities as a director of the
Western Bank Corp., United
California Bank, Pacific Mu-
tual Life Insurance Co. and
Standard Oil Co. of Califor-
nia.

He also served as chair-
man of a commission named
by California Gov. Brown
that investigated the Los An-
geles riot of last August.

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EXHIBIT E

McCone, 20

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Others Back

Christopher

George Christopher's campaign for the Republican gubernatorial nomination won endorsement Tuesday from 21 civic figures, including John A. McCone, chairman of the McCone Commission named by Gov. Brown to investigate the August riot in south Los Angeles.

Others are Dr. Wilbur Bailey, Peter Colefax, Dr.

John B. Doyle, Byron H. Farwell, Felix H. Farewell, Conrad N. Hilton, John Mage, Henry Mudd, Robert F. Niven.

Also Neil Petree, John V. Vaughn, Howard W. Wright, George A. Beavers Jr., Keating Coffey, Richard W. Millar, Stuart O'Melveny, Ernest A. Bryant, Lawrence L. Frank, Brook Gifford and Alalay P. Quirk.

Christopher Tuesday endorsed Assemblyman Tom Carrell's legislation authorizing temporarily increased taxes to finance preliminary studies for construction of a Southern California mass rapid transit system.

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EXHIBIT F

'Crises in Cities' SUN APR 1966 Challenge to All

JOHN A. McCONE

Some among us question that our country should strive to lead the world, as it has done these past 20 years. Europe is far away, it is argued, and Asia is even farther. Africa for centuries has been the ward of the Western European capitals and they, not we, should carry this burden. The western hemisphere alone should be our trust.

An overwhelming present-day reality prevents this comfortable escape from the perplexing and expensive responsibilities of world leadership. That reality is that the power equation in this awesome nuclear age permits no subscription for United States leadership of the free world.

Today this equation rests in an uneasy balance. For it is a balance of nuclear powers, each capable of inflicting inestimable damage upon the other. But each knowing full well that the consequences of a strike, whether with warning or by surprise, would bring to the offender a counter-blow of such violence that losses sustained would be wholly unacceptable. Without the United States this balance will forever be lost.

John A. McCone, former director of the Central Intelligence Agency, and chairman of the commission which investigated the Watts riot of last summer, addressed the 78th installation banquet of the Los Angeles Chamber of Commerce on March 23. This is an excerpt of that speech.

Hand of Destiny

The responsibility that is now ours has been thrust upon us by the hand of destiny. We did not seek it. It became evident some 20 years ago that international communism was determined to destroy all vestige of liberty and, under Kremlin direction, was moving aggressively into every political and power vacuum throughout the world. The United States and the United States alone possessed the determination, the wealth and the military resources to oppose the international Communist plan for world domination.

To measure the success of our costly effort and to judge whether it has all been worthwhile, we must

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EXHIBIT G

view the world as it was in the years after the war and as it is today. We must view this world from Washington and then we must view it as seen by the international Communist . . .

We have exercised leadership with skill and determination and with thoughtful consideration of the interests of others. Today, after two decades of effort and untold billions of dollars, our position in the eyes of the world is growing ever stronger, and the position of international communism is growing ever weaker.

Problems Forbidding

Some will challenge this statement. It is true that our problems are forbidding, but it is characteristic of the human condition for a man to feel that his problems, whether in government, in business, or in private life, are more serious than the other fellow's.

Our burdens and troubles in the world outside the United States are manifold. The agony of Vietnam; and disappointments in our relationships with the French and with President De Gaulle; the difficulties with Latin America; and with Cuba and the Dominican Republic; the troubles of Pakistan and India are but a few. Some view these problems as evidence of failure of a policy that has been followed consistently by four Presidents and both parties.

Finally, the fact that we must

maintain, at very great expense, a nuclear arsenal of vast proportions to insure our security and that of the free world is likewise interpreted by some as a demonstration of failure of foreign policy.

However formidable these problems, we can measure the success of our foreign policy only if we swing the telescope around and now look at the world from the viewpoint of the other side and compare Moscow's problems with our own. Where does international communism stand after these years of Soviet efforts towards world domination?

International communism as a carefully contrived monolithic structure has collapsed. *G-2-1*

The Eastern European satellites, once bound irretrievably to Moscow, are now insisting upon the right to follow an independent course in political as well as economic matters. They have successfully extracted one concession after another. The result is that the once tightly knit, centrally controlled organization of Eastern European satellites is now little more than a federation of states, joined together in a rather loose alliance. The fractures within this alliance deepen each day . . .

I am not now forecasting a return of the ballot box in the Eastern European countries. What I am emphasizing is that they are no longer threads in the expanding web of a centrally directed monolithic world Communist movement.

In the Middle East, in Africa, and in Latin America, grandiose plans for political domination from the central source, Moscow, have, for the most part, come to naught as one country after another has turned toward an independent non-conforming role. How frequently a stinging blow is dealt to the Soviet plan! Nigeria, Ghana, Algeria and Indonesia are but a few of the countries in revolt against Communist domination.

Add to this two other great and growing problems bearing down on the Soviet's grand plan.

First, there is the matter of internal pressure generated by the Russian people for necessities and luxuries of life comparable to those enjoyed in the West. . . . This demand is forcing Soviet leadership to reappraise its national programs and priorities. It must now devote an ever-increasing proportion of precious resources and scarce manpower to the needs of the consumer and a lesser percentage to the military establishment and to the strategy for world domination.

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Grave Differences

And second, there are the grave differences with their Chinese neighbor, 700 million strong . . . and potentially dangerous over every mile of their 6,000-mile common border . . .

I am not here forecasting the end of the Marxist philosophy. Communism is established in many places, and in some areas it will continue to grow until the perception of the individual rejects it. China, now espousing a most antagonistic policy, flourishes momentarily on Marxism. The aggressive policies their leaders now embrace, if continued, represent a serious long-range threat to the entire world . . .

But my point is that international communism as a monolithic structure, centrally directed and designed to control the world by persuasion, by subversion or by conquest, has failed. I have viewed at close range the conflicting issues and ambitions within the Communist movement. It is my observation, that the differences are so great, the fractures so deep that the monolithic structure of the movement cannot be revived. Since this is central to the success of their objectives — for without a cohesive international Communist structure the objective of world domination is beyond grasp—I say with confidence that the ebb and flow of international affairs is running in favor of the principles we embrace.

So without belaboring the issues of foreign policy or attempting to discuss in detail the problems confronting the United States in today's difficult world, I draw two general conclusions.

First, our efforts of the past 20 years, trying and costly, have been more rewarding than we may now realize. At the very least, we have led the rest of the free world back from the brink of disaster to a position of strength and dignity. But, in reality, we have done much more. People throughout the world are reaching, as never before, for the right of self-determination and for the sacred principles of freedom and human dignity . . .

Second, our task is not yet complete. We, as the strongest nation in the world . . . , must continue to provide security to our friends and serve as an example and an inspiration to all, most particularly the developing nations that are now groping for a way of life.

To inspire this fast-evolving world and provide the example to follow, we must conduct ourselves as a nation and a society that is dynamic in its internal affairs and resolute in its determination to serve the interests and the safety of all of its citizens.

We shall not succeed in this vital role . . . if the ills, which today are undermining the structure of our society, are permitted to continue to spread and to grow as a cancer spreads through human tissue . . .

If anything has become clear to me in the course of my recent experience with international and domestic situations, it is that there is an interrelationship between the way we conduct ourselves at home and our standing and influence abroad and this interrelationship has begun to shape our fate as a nation.

This then is my answer to the statement, often advanced, that the growing problems within our country, most particularly those in the larger urban centers, are being unnecessarily exaggerated and that this exaggeration and the solutions offered by government are purely for political purpose. I do not wish to discount the force of politics in our every day life; nor do I fail to recognize the hand of politics in many of these matters. Nevertheless, we cannot dismiss the seriousness of the "crises in our cities" as being the product of crude politics.

On the contrary, I am convinced that the consequences of rapid and radical change within our country; of an ever-expanding population; of the growing numbers of Negroes and other minorities as well; of movement of countless throngs from rural to urban centers; of mechanization with its serious effect on the unskilled; . . . have produced problems so vast and so serious that they cannot be exaggerated. And the solutions are so important that they cannot be dismissed as political expediency.

Gnawing Problems

Nor am I impressed with the argument that the solutions to these growing problems, whether in the field of education, of training, or urban renewal, of transportation, of the pollution of our rivers and beaches and the air we breathe . . . are all so vast as to be hopelessly beyond private resources and, therefore, must either go unattended or be taken over by government.

I am convinced . . . that these great gnawing problems cannot be left unattended. They must be solved if we are to survive as a nation and they must be solved locally if our state and our city is to continue as the nation's garden spot.

I am equally convinced from experience with not one administration but with four, that these great problems will be tackled and will be solved. The choice before us then is whether we, as leaders of this community, will take in



hand, problems that presently confront us and find the solution for them. Or, whether, in the alternative, we shall elect to abdicate our responsibility to Washington—and stand idly by as our city is transformed by others into a city that we will have great difficulty recognizing as our own in the future.

Knowing my city . . . I assume we shall close with these problems ourselves. Where do we start?

First, we mobilize the brains and the vast energy of the private sector of our community—the businessmen and labor leaders; the educators and the churchmen; the spokesmen for civic groups and for the minorities as well.

Specialists in every field I have mentioned must focus their special knowledge and talent on the great problems that confront us.

From all of these we can expect a clear definition of the need—and the direction of the essential developments called for to meet that need.

We must face the problem and seek the solution without regard to individual interest or selfish motive. And then we must insist that the political powers, regardless of where or who they are, serve us in implementing our plans and programs. We insist that they not impose their plans, their programs, upon us.

Provider of Resources

Many problems can be solved within the resources of the private sector. Others are obviously so vast as to require government finance. But all plans for the solution of all problems must be designed by you, as the leaders of your community. For in the final analysis you, as the taxpayer, are the provider of all resources available to meet the growing issues of your city.

President Eisenhower in his recent book, "Waging Peace," when reviewing the gnawing problems of our society today, suggests that every person ask of himself, "Am I doing my duty as a citizen? Am I doing my part?"

And, then, in his appeal for action by the citizens of our country, supported by the vast resources of government — resources indeed which are provided by the citizens themselves—President Eisenhower states: "This is part of the unfinished business of our nation. To fail to meet these internal challenges successfully is to weaken ourselves at home and to distort the true meaning of America abroad."

MCCONE ON WATTS

BY JOHN A. MCCONE AND WARREN M. CHRISTOPHER

"Nobody cares, nothing has been done." In a city where many care deeply and much has been done, the strident repetition of this false theme is inflammatory and destructive.

This is the central vice of Mr. Budd Schulberg's May 15 article (in Opinion) on the problems of Watts which, however well-intended, is so full of oversight and misinformation that it is seriously damaging to the good works he professes to support.

To suggest that "not one" of the reforms recommended by our commission has been implemented is not only absolutely wrong but it reflects a dismaying lack of appreciation for the determined efforts of those who have helped achieve not one but many of the recommended reforms. Moreover, when Mr. Schulberg's article fails to support current constructive efforts and refers to them as "another kind of bag" and "another door slammed" in the Negro's face, it expresses a "damned-if-you-do, damned-if-you-don't" attitude which is as puzzling as it is regrettable.

Mr. Schulberg refers to the commission's report as "anemic," "bloodless," "sterile," "hapless," a "body blow" to the Negro community. Yet the problems he identifies bear a very remarkable resemblance to the problems identified in the report. Indeed, stripped of its violent language, the young teacher's catalogue of problems, which is the basis of Mr. Schulberg's article, almost seems to have been drawn from the pages of the report.

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Opinion

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What is totally missing, however, in Mr. Schulberg's article is any recognition of the progress which has been made on the problems since the issuance of the report last December. The following examples show how far Mr. Schulberg missed the target when he said that not one of the commission's recommendations has been implemented.

1—In discussing unemployment, Mr. Schulberg completely ignores the fact that H. C. "Chad" McClellan's Management Council for Merit Employment, acting on the impetus of the report, has found jobs for more than 4,670 residents of Watts since last December and stands ready to place a large additional number of trained workers. This remarkable private effort has been undertaken in close cooperation with the state "service center" recently established in Watts to assist in employment and related matters.

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EXHIBIT H

'Skill Center'

Equally disregarded is the Opportunities Industrialization Center (OIC), initiated by a Negro group and financed by a \$450,000 Ford Foundation grant to train those who remain jobless. Paralleling this pioneering private effort is a new "skill center" of the state Department of Employment in Watts which will train over 3,500 workers in the next three years.

These constructive programs are providing an opportunity for the Negro, if he so desires, to receive job training and to find employment. As Roy Wilkins, the long-time executive secretary of the NAACP, has said, the white community must "put action above cynicism" but at the same time the Negro must "shoulder his responsibilities" and not "go limp."

2—In education, not only does Mr. Schulberg ignore the commission's sweeping educational recommendations, but he fails to report the expensive and substantive steps which have already been taken—the \$189 million Los Angeles school bond issue on the June ballot (Proposition S) which has the purpose, among others, of ending double sessions and of providing cafeterias in 34 additional schools in the poverty areas; the \$12 million additional state aid recommended by the governor to reduce class size in the poverty areas; the \$20 million in additional state bond funds for the extra classrooms that smaller classes will require in the poverty areas; and the extraordinary cooperation of federal, state and local officials in establishing a pre-school program in the poverty areas.

\$12 Million Bond Issue

3—In health care, the Board of Supervisors has put a \$12 million bond issue on the June ballot (Proposition A) to provide the county's share of the funds for a first-rate hospital in the Watts area.

4—In the field of law enforcement, which received 10 pages of attention in the commission's report, there have also been important steps since year's end. As recommended, the city council has established an inspector general outside the chain of command in the police department to handle civilian complaints and the department's community relations program has been markedly strengthened.

5—As an aid to public transportation, the federal government is apparently on the verge of making a \$2.7 million grant for special bus service to transport workers from the Watts area to centers of employment. (The commission noted that Los Angeles has probably the worst network of public transportation of any major city in the United States, but in the interest of accuracy, it should be said that the nearest movie theater is a 15-cent bus ride from Watts, not a "big dollar's bus fare away," as Mr. Schulberg asserts.)

6—Although Mr. Schulberg's article complains of "rejection at City Hall," the city council has recently set up a City Commission on Human Relations. This followed the recommendation of the commission and was urged by all three Negro city councilmen.

These are signs of progress, unmistakable indicators that people care. When they are ignored by those who profess leadership or pur-

port to be "telling it like it is," it tends to spark the very explosion they say they wish to avoid.

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There are no instant solutions or magic cures for the problems of Watts. Years of patient, diligent, expensive endeavor will be necessary, and even then the problems will yield only if there is determined participation by all elements of the community. The ultimate measure of success will not be so much what is done for the residents of Watts, but rather what is done by them with the assistance of the remainder of the community.

The shallowness of Mr. Schulberg's thesis stands out in his approach to the problem of medical care in Watts. He pleads for a decent hospital in the Watts area, criticizing the literary quality but not the substance of the commission's recommendation of a first-class hospital. However, instead of urging people to provide the money to build such a hospital by voting "Yes" on Proposition A on the ballot in the June election, he glosses over that most significant project and manages to imply that what has been done is some kind of deception.

On the contrary, the proposal for a hospital in Watts is a graphic example of the amount of leadership and effort which is being devoted to the problems of that area. Here are some of the time-consuming and vital steps which have already been taken; many of them with the assistance of distinguished Negro physicians and others in the Negro community:

• Following the commission's recommendations, the director of the Southern California Hospital Planning Assn. convened representatives of the Los Angeles Department of Charities, medical schools in Los Angeles, the Charles Drew Medical Society, labor and consumer groups from the Watts area, and concerned

individuals to (a) recommend how the hospital districts of metropolitan Los Angeles should be redrawn to make the Watts area eligible for federal support of hospital construction, b) identify the structural needs of the new hospital, i.e. what it should contain and what it need not contain, an important technical task which is not achieved by exhortation, and (c) devise a means of insuring a high quality of medical care within the new hospital.

• The recommendations were approved by the state Hospital Advisory Council whose chairman is state director of public health.

• Site planning and architectural plans were evolved by the Los Angeles County Department of Charities and approved by the Los Angeles County Board of Supervisors.

• Detailed medical planning is going forward on the innumerable organizational, educational and recruitment problems which must be solved by the time the new hospital is built.

• Large numbers of community leaders, civic organizations, church groups and medical societies are working hard to inform the public about the need for the hospital and the importance of an affirmative vote on Proposition A.

In this latter effort, we would welcome the help of Mr. Schulberg and the young teacher he quotes. The effort is not aided by the statement in Mr. Schulberg's article that the "ballot deal is another kind of bag."

III
There is no room for complacency about the problems of Watts. If much has been done, there is much more yet to do. If we are to avoid a series of long hot summers, it will take an historic effort by the white community and the resolute participation of the Negro community. In this endeavor, neither community will be aided or inspired by inflammatory articles or public statements which proclaim the erroneous thesis that "Nobody cares; nothing has been done."

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Watts: 'The Real Agitators'

"We are encouraged, but far from satisfied."

FRI AUG 19 1966

Thus did the McCone Commission summarize a year of action and inaction in dealing with the basic causes of last August's violence.

Its report points to progress, however limited, in every major area of discontent among the disadvantaged—education, employment, law enforcement, health, welfare, transportation, housing and urban development.

"Perhaps the most encouraging single development since the publication of our report," noted Chairman John McCone, "has been the emergence of community efforts to improve conditions in the area and prevent a recurrence of strife."

At the same time, the commission emphasized the mammoth task that remains and cited specific failures at governmental levels during the past 12 months.

One of the most disappointing has been the Board of Supervisors' response to the deplorable lack of adequate hospital facilities in South Central Los Angeles.

Existing hospitals, warned the McCone Commission's original report, are "grossly inadequate," as it urged construction of a new county facility. The supervisors, however, took the easy way out by placing a \$12.3 million hospital bond issue on the June ballot, although the difficulty of achieving the necessary 2/3 vote of approval must have been evident to every member.

As expected, the hospital bonds failed, but by a surprisingly narrow margin. Some 62.5% of the voters expressed ap-

proval. Thereupon the board pledged to find some other way to build the critically needed hospital. Money for plans and additional land purchase was placed in the 1966-67 county budget.

This week, however, three supervisors compounded the board's earlier error by abruptly halting all expenditures for the hospital project. Supervisors Warren Dorn and Ernest Debs said they were absent when the majority of the board voted planning funds. If so, they should have read the minutes of the meetings they missed.

In contrast, on the same day the supervisors met, it was reported that some 12,000 Negroes have been placed in jobs during the past year. More than 2,000 business firms participated in the effort directly or indirectly, said H. C. McClellan, president of the Management Council for Merit Employment, Training and Research.

In praising the "spectacular job" done by the council and the State Employment Service, the McCone Commission called attention to the much larger number of those who are untrained or unprepared for any kind of job. To meet this problem, a dozen training programs are planned or in progress, with an anticipated participation of more than 16,000 persons.

Success of such attacks on the root causes of discontent is the surest guarantee that violence will not return. For as Atty. Gen. Nicholas Katzenbach told a Senate subcommittee Wednesday, riots are really caused by the "agitators named disease and despair, joblessness and hopelessness, rat-infested housing and long-impacted cynicism."

The State

WATTS: Commission

Issues Second Report

SUN AUG 21 1966

The McCone Commission which investigated last August's rioting in the Negro district of Los Angeles came up with a second report for Gov. Brown last week. It said that "significant progress has been made in all but a few of the recommendations" made by the commission in its original report last December.

Chairman John A. McCone said: "We are encouraged but not satisfied." The governor agreed that there was no cause for anyone to feel complacent, but said he was heartened by progress in the Negro community and cited the Watts Summer Festival and other events which indicate changes for the better.

Pleasing to the commission were "impressive" gains in employment and job-training in the district; most disappointing was insufficient improvement in schooling.

The commission said that "perhaps the most encouraging" single development was the burgeoning drive of the community to help itself and prevent recurrence of strife. It pointed out that the efforts of many citizens and prompt police work combined to control an outbreak on Mar. 15 which took two lives.

Literacy Program

In deploring the lag in schooling, the report said the commission's specific recommendations for an emergency program to increase literacy were not "fulfilled." Also:

"A sharp reduction in (school) class size and concentration of experienced personnel in schools in poverty areas has not been accomplished—even on a pilot basis.

"Despite substantial aid from federal and state agencies, piecemeal efforts to implement new programs have not been effective in meeting the unique educational needs of the culturally-disadvantaged . . ."

It pointed out that a proposal to reduce double school sessions by transporting 2160 children from crowded elementary schools to schools with empty seats was defeated by the Los Angeles School Board by a vote of 4 to 3.

The report cited strides in employment—an estimated 10,000 residents of the district finding jobs through the State Employment Service and through private industry. It said a "spectacular job" had been done by the state agency and by the Management Council for Merit Employment Training and Research, headed by H. C. McClellan.

While praising law enforcement agencies for "new and promising" gains in better relations with "minority communities," the commission declared that its "concept of 'inspector general' that it recommended," is not in operation." The inspector general has been appointed, the report conceded, but he has not been properly staffed "with officers and civilian personnel" and has been unable to investigate civilian complaints outside of the police chain of command.

McCone also told Gov. Brown: "We continue to doubt whether the police commission, which meets once a week with compensation fixed at \$10 per meeting," is "fully responding to the opportunity and the responsibility" in the city's charter.

Simultaneously with issuance of the second McCone report, the Negro community took an action which indicates better relations with the police. The Temporary Alliance of Local Organizations, a community group which set up the Community Alert Patrol to check up on police, ended operation of the patrol, at least temporarily at midnight last Wednesday. The TALO had formed the patrol three months ago to observe and record instances of "poor police procedures."

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432859

McCone Urges All-Out Aid to Needy Pupils

A costly and revolutionary educational program at every grade level must be undertaken to break "the cycle of failure" among disadvantaged children and prevent future racial strife. John A. McCone said Thursday night.

SEP 16 1966
McCone, chairman of the McCone Commission which investigated causes of last year's Watts riot and former chief of the Central Intelligence Agency, addressed 800 persons attending Loyola University's seventh annual Citizenship Day dinner at the Beverly Hilton.

He called for the anti-poverty program's Head Start project to be implemented on a permanent basis under the city school system. The project provides special classes for pre-school children of disadvantaged families.

'Dramatic Change'

He also proposed "much smaller classes" and "the best of the teachers" to effect "a dramatic change in our traditional pattern" to raise the low scholastic achievement of minority group children.

These two "costly emergency measures" will provide a permanent solution, from which solutions to all the other racial problems will emerge, McCone said. Without this approach, he warned, the Watts riot could be "but a curtain-raiser—a warning of deeper trouble to come."

McCone said Los Angeles has achieved "reasonable success" in providing jobs and job training for the disadvantaged. The antipoverty program here has been "free from the troubles which have beset other cities" for which he lauded the leaders of "this vast constructive program."

At the dinner, Marine Col. Michael R. Yunk, who was recently wounded in Vietnam, was presented the university's Loyalty Medallion.

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Special UC Probe Is Unnecessary

When Gov.-elect Ronald Reagan first announced plans for a blue ribbon commission to investigate the University of California there were widespread fears that the inquiry would degenerate into a witch-hunt on the Berkeley campus.

Former CIA chief John McCone, whom Reagan proposed to appoint chairman of the commission then set forth ground rules under which he would accept the assignment. His statement allayed some, though not all, of the fears that UC might be damaged by a "probe."

Lt. Gov.-elect Robert H. Finch declared recently that the commission will look into the whole structure of the university in a broad-gauge, high level examination which would include examination of the financial structure of the institution.

His words were heartening, particularly since it must be assumed that he spoke out only after consulting with Reagan.

Nonetheless the statement points to the basic fallacy involved in creation of such a commission.

The Joint Legislative Committee on Higher Education has already embarked on an in-depth study covering both the university and state colleges. Of necessity that examination will include the problem of state support. Thus the commission inquiry would be, at least in part, duplicative.

McCone has said that any investigation he might conduct would be under the direction of the Board of Regents of the university. A spokesman for Reagan has indicated that the commission would report to the regents not to the governor.

The legislative committee findings, however, would likewise be available to the regents as well as to the governor and the Legislature.

Under the state constitution, the Board of Regents is an autonomous body subject only to legislative control over its budget, its compliance with endowments and the security of its funds.

Assembly Speaker Jesse M. Unruh, who heads the joint legislative committee, is an ex-officio member of the board. So, when they assume office, will be Reagan and Finch. Thus they will be able to keep tab on the situation.

To create a special commission would set a dangerous precedent which would seem to run directly counter to the plain intent of the constitution. This is particularly so when a legislative body is already exercising its proper investigatory function.

Under the circumstances The Times suggests that the blue ribbon commission proposal be held in abeyance, while the joint legislative group goes about its rightful business.

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'No Shortcuts Found,' McCone Tells Critics

SAT DEC 17 1966

BY JACK JONES

Times Staff Writer

Industrialist John A. McCone, chairman of the commission which reported on reasons for south Los Angeles rioting more than a year ago, responded to criticism of that report Friday by saying the commission found "no shortcuts and no easy answers."

Replying to complaints by several participants in a two-day leadership seminar at USC — some of them commission consultants — that the blue ribbon group selected by Gov. Brown had treated complex sociological problems "superficially," McCone said in a letter to the seminar: 1-2-4

"By confining our recommendations to practical programs, great progress has been made in our community in the past year, and this must not be overlooked."

His letter, read to the "McCone Report Revisited" conference on the USC campus by commission counsel Thomas Sheridan, also noted that most of the

suggestions advanced for more drastic solutions to the problems of Negroes here had been considered by the commission.

No practical way was found, McCone wrote, "to implement certain of the ideological approaches suggested . . ."

McCone also sent along a copy of a speech he delivered on Wednesday in New York in which he expressed the view that lack of jobs and special schooling are "at the root of most complaints."

McCone held that private industry is ready to engage in training and employment of Negroes and said he believed this is a "preferable alternative to the make-work programs so often suggested and always dependent on large and uncertain government appropriations."

Friday was supposed to be the day the seminar, sponsored by USC's School of Public Administration, turned from criti-

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cism of the McCone Report to concrete suggestions, but the results were mixed.

Max Mont, civil rights coordinator for the County Federation of Labor, reacted to the McCone letter by saying heatedly, "With this kind of programming we are doomed to utter failure. We need a comprehensive program to deal with discriminating in American life."

During the morning session, however, papers prepared as the result of a preliminary eight-week seminar by professionals from agencies working in minority areas did propose "constructive alternatives" to the McCone Re-

port recommendations.

These included ambitious plans to coordinate state and federal job training programs, increase on-the-job training projects, establish public works programs, overhaul the welfare system, integrate schools and teach Negro children pride in themselves.

JOSEPH ALSOP

Conservative Pins Down Facts of Negro Problem

In this country, the word "conservative" has been strangely debased, to stand for crackpot Texas millionaires, hot-eyed Birch Society members and southern racists.

But in the normal political lexicon, conservative is still an honorable word, meaning a practical, national-minded man who holds to the old ways while being willing, maybe a bit grudgingly, to support great innovations when the national interest demands them. In this sense, former CIA Director John A. McCone is an outstanding American conservative—a big businessman, cautious yet public-spirited, never given to visionary nonsense, but always ready to face facts.

The fact that McCone is this sort of man is of real current importance because of a speech he made the other day to the Advertising Council. Most people, who do not know the facts that McCone has studied and faced, will think it a very radical speech.

The Advertising Council's invitation to McCone grew out of his chairmanship of the investigative commission appointed after the Watts riots two summers ago. His subject was the Negro problem and what to do about it. He sternly warned his hearers that unless

something adequate was done pretty quickly, the "breach" between disadvantaged and more fortunate would "split our society irretrievably."

He had two prescriptions for a solution: more jobs and better education. Since it was the educational prescription offered by McCone that gave his remarkable speech its radical character, this is what deserves to be most carefully weighed.

He began by pointing out that the currently fashionable remedy for the failure of the schools in the Negro ghettos—mere forcible desegregation—was bound to be a washout. Wherever tried, the combination of large numbers of heavily disadvantaged children with more fortunate children has automatically depressed school quality.

As soon as the quality of a school goes down, the parents of the more fortunate children join the white emigration to the suburbs. Thus thoughtless school desegregation—without attention to school quality—has always led to the extension of the Negro ghetto, in every city in this country where it has been attempted. These are cruelly tragic facts; but they must be faced, and McCone faced them.

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McCone therefore placed his entire emphasis on school-quality. He boldly advocated what may be called positive discrimination — nothing less than a vast increase in per-child investment in education in disadvantaged neighborhoods, as compared with per-child investment in middle-class neighborhoods.

★

"A new and revolutionary approach must be made at every grade level," he said. "This calls for smaller—much smaller—classes to maximize effective teaching. It calls for the best teachers. (It calls for) a dramatic change in our traditional pattern of education."

And of course it will be a dramatic, indeed a radical change if New York City, for instance, begins to spend two or three times as much to educate children in Harlem as is spent per child in the middle-class parts of Queens. But that is what McCone wants, and he wants it "regardless of cost."

In his speech, he did not put a price tag on his recommendations. But in his home city, Los Angeles, he advocates a \$250 million increase in the school budget—a rise by more than a third, in fact. He is also known to have urged the able secretary of health, education and welfare, John Gardner, to launch a national school aid program, centered on disadvantaged neighborhoods, to cost no less than \$4 billion.

It is time to pay attention, when one of nature's budget-balancers begins pressing for such enormous new outlays. But the difference between John McCone and other solid businessmen of the same stripe is that McCone has looked into the abyss that this country can fall into. He knows what can happen to the United States if we do not do what is needful, "regardless of cost."

What can happen is quite clear. If present trends continue, large numbers of our cities will be progressively transformed into hideous reservations for the Negro poor. The vast capital investments in the center cities will be written down to 10 cents on the dollar. And worst of all, ours will become a repressive society; for the white majority cannot expect the Negro minority to accept this kind of future with passive resignation.

★

What should happen is also quite clear. We can adopt McCone's prescription forthwith, and add to it every other practical prescription that promises remedy. It is a sign of the luck of America that such a prescription has been offered by such a man as McCone. It is a sign, in fact, that the true conservatives are beginning to move. For as McCone has sardonically remarked, paraphrasing Clemenceau on war, "The Negro problem is far too serious a matter to be left to the liberals."

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LA 161-385

Private Sector Enlisted in Fight Against Slums

Exclusive to The Times from a Staff Writer

WASHINGTON—President Johnson has named a blue-ribbon committee of industrialists, financiers, labor leaders and politicians to determine how private enterprise can help rid the nation's cities of slums.

Whatever good works the committee produces will not only benefit the cities but will produce profits for American busi-

nessmen and jobs for workers as well.

Edgar F. Kaiser of Lafayette, Calif., president of Kaiser Industries, Inc., has been named chairman of the committee which also includes John A. McCone of San Marino, Calif., former head of the Central Intelligence Agency. McCone headed the special committee named by former Gov. Edmund G. (Pat) Brown in 1965 to

investigate the Watts riots in Los Angeles.

Joseph Califano, a special assistant to President Johnson, called the appointment of the committee an act comparable in importance to the establishment of the Public Housing and Urban Renewal Programs in the model cities program.

Sources on Capitol Hill, while greeting the appointment of the committee, were less sweeping in their characterization.

"It's easy to appoint a committee," one said. "But we've got to see the results in the money before we can judge the importance."

Announcement of the committee's formation

was timed for publication today. In naming the committee, Mr. Johnson said:

"No domestic task facing this nation today is more demanding or more urgent than reclaiming the corroded core of the American city.

'Shame to Nation'

"A substantial part of that task is the rebuilding of slums—with their 7 million dilapidated dwellings—which shame this nation and its cities.

"So vast an undertaking represents, as well, an enormous potential market. American industry has sought and developed markets around the globe. This one lies—waiting—at its very doorstep.

"To tap this market, and do the job that must be done, the inventive genius of private industry and the creative productivity of American labor must be fused with the support and initiative of state and local governments and the resources of the federal government."

Mr. Johnson asked the committee to find the incentives to stimulate industry and labor to apply all the techniques of private industry to solving the slum problem.

Some of the committee members swerved on the task force that worked out the organization and responsibilities for the Department of Housing and Urban Development two years ago.

Others were prominent witnesses before the Senate subcommittee headed by Sen. Abraham A. Ribicoff (D-Conn.) which has been investigating the problems of the cities.

Mr. Johnson announced last March 14, in a special message on world and urban poverty, that he would appoint the committee.

LA 161-385

Racial Violence Could Destroy U.S., McCone Tells Senators

Newark's Mayor Addonizio Says Middle-Class America
Is More Interested in Luxuries Than in Saving Cities

BY VINCENT J. BURKE 23-1967
Times Staff Writer

WASHINGTON — John A. McCone, chief of the commission that investigated the 1965 Watts riot, testified Tuesday that an answer must be found to racial violence or it will destroy the country.

His warning came as Mayor Hugh J. Addonizio of Newark complained that prospering white citizens don't want to spend the tax money needed to solve the problems of the Negro ghetto.

Addonizio, whose city was ripped by the first of this summer's two major riots, declared:

"Affluent Americans are gripped more by the need to buy a vacation home, a sports car for their college-bound son and a second color television set than they are with sharing their affluence with the poor."

It is "the cruelest of myths," Addonizio said, "... that middle-class America has an interest in saving cities."

McCone and Addonizio testified

separately at a closed session of President Johnson's National Advisory Commission on Civil Disorders.

Addonizio came armed with prepared testimony which he made public. McCone issued no public statement on his commission testimony, but testified publicly later before the Senate Judiciary Committee.

The Senate committee is considering a House-passed bill that would make interstate travel with intent to incite a riot a federal crime. McCone told the senators he could see no objection to the bill, calling it "reasonable." But he added: "It is not an alternative to the positive measures that must be taken."

Another witness, Jefferson B. Fordham, dean of the University of Pennsylvania law school, assailed the bill as a "big-stick reaction" and said its passage probably would

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bring more violence in the cities.

McCone gave both the presidential and congressional panels copies of a new report from his commission staff detailing what has been done to carry out the commission's December, 1965, recommendations for improving conditions in Watts.

The report, which McCone submitted Saturday to Gov. Reagan, will be published later this week. It contains a covering letter from McCone to Reagan, stating, "We can continue to be encouraged but far from satisfied by the progress made."

Addonizio and McCone gave conflicting appraisals of the federal cost of solving ghetto problems.

'Marshall Plan'

Addonizio said it is clear that "a staggering effort—yes, a Marshall Plan—is needed. It is needed in housing, education, in employment, in crime control, in health programs and in stabilizing tax rates."

McCone told the senators, "I do not believe in pouring in money." He added that, although the total cost of dealing effectively with the problem

would be greater than the amount now being spent, it would not be "as great as some think" because money can be channeled away from some antipov-erty measures that are unproductive.

Although he did not pinpoint the unproductive areas, McCone expressed concern over the rise in welfare costs in Los Angeles County which, he said, have jumped 34% in two years.

In discussing causes of ghetto riots, McCone said

the white community had contributed to a "frustration and rage" among Negroes by holding out great expectations — first through the 1954 Supreme Court edict outlawing segregated schools and then by promises which were not fully kept because of "financial and administrative problems."

Then, he said, the white community tempted the Negroes to translate the "rage and frustration" into violence through a prevailing attitude of "tolerance toward disobedience."

"There's been a leniency," he said, "in which the temptation to move has been quite great."

McCone said unless we find a solution to the

racial problem "it is going to split our society irretrievably and destroy our country."

He suggested a three-point program of jobs and job training, education and leadership, and determination and responsibility by the whole society, including Negroes.

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LA 161-385

SUN AUG 13 1972
**McCone Will
Help Push
Bond Plan**

Los Angeles executive John A. McCone has been named cochairman of a statewide citizens committee supporting a ballot bond measure to finance more health care training facilities for California.

The Citizens for Health Sciences Facilities is seeking passage of a \$156 million issue for construction and expansion of health science facilities on seven campuses of the University of California.

On taking the post, McCone, who will serve as cochairman with San Francisco attorney Theodore R. Meyer, said there is "a critical shortage of health professionals in California."

The shortage "can only be alleviated by immediate expansion of the state's . . . training facilities," according to McCone, who is chairman of Hendy International Co. and former chief of the U.S. Atomic Energy Commission and Central Intelligence Agency.

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LA 161-385

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'Police Brutality' SAT MAY 24 1969 Talk Fades, M'Cone Tells Sheriff Class

John A. McCone, former director of the Central Intelligence Agency, Friday told a Sheriff's Academy graduating class that "the phrase 'police brutality' is seldom heard in the community."

However, he warned that while the number of persons antagonistic to police officers is decreasing, these dissidents are becoming "more active and more violent."

McCone spoke in the Ahmanson Theater at The Music Center at the graduation of the largest group of law enforcement officers in the history of California.

Besides 186 sheriff's deputies, Sheriff Peter J. Pitchess awarded academy certificates to 35 officers from police departments in Los Angeles and Orange counties, and the Marine Corps.

McCone, who headed the governor's commission which investigated the 1965 riots in Los Angeles County, said some events of recent months and recent years have cast law enforcement in an uncomfortable light.

McCone said his 1965 commission opposed establishment of civilian review boards for law enforcement agencies but did propose radical changes in internal procedures within the Police Department for handling of civilian complaints.

"I will not go into detail but merely express my gratification that these changes have been effectively implemented," he said.

FBI

Date: 6/29/73

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: ACTING DIRECTOR, FBI (161-1709)

FROM: SAC, LOS ANGELES (161-385) (P)

RE: JOHN ALEX MC CONE
SPECIAL INQUIRYALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW

BUDED: 7/3/73 WITHOUT FAIL 17432859

Re Los Angeles teletype to Bureau, 6/28/73.

The library of the "Los Angeles Times", a major metropolitan daily newspaper in the Los Angeles area, as checked by SA FRANK M. KING, JR., on 6/21/73, contained the following pertinent items concerning the appointee:

"U.S. Must Rely on 'Big War'
Atom Arsenal; M'Cone Says"
dated August 3, 1957
(Exhibit A)

"Head of Central Intelligence
Agency Possesses Great Power"
dated January 29, 1962
(Exhibit B)

"McCone Did Top-Notch CIA Job"
dated April 28, 1965
(Exhibit C)

161-1709-94
NOT RECORDED

JUL 2 1973

- ① - Bureau (AM)
① - Los Angeles

AWM/gcj
(2)ENCLOSURE
ENCLOSURE ATTACHED

Spec. Inq.

53 AUG 24 1973

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

LA 161-385

"McCone Accustomed to Hard Assignments"
dated August 20, 1965
(Exhibit D).

"McCone Voted In As Director of IT&T Corp"
dated January 17, 1966
(Exhibit E)

"McCone, 20 Others Back Christopher"
dated March 30, 1966
(Exhibit F)

"'Crises in Cities' Challenge to All"
dated April 3, 1966
(Exhibit G)

"McCone on Watts"
dated May 22, 1966
(Exhibit H)

"Watts: 'The Real Agitators'"
dated August 19, 1966
(Exhibit I)

"Watts: Commission Issues Second Report"
dated August 21, 1966
(Exhibit J)

"McCone Urges All-Out Aid to Needy Pupils"
dated September 16, 1966
(Exhibit K)

"Special UC Probe Is Unnecessary"
dated November 30, 1966
(Exhibit L)

"'No Shortcuts Found', McCone Tells Critics"
dated December 17, 1966
(Exhibit M)

LA 161-385

"Conservative Pins Down Facts
of Negro Problem"
dated December 20, 1966
(Exhibit N)

"Private Sector Enlisted in Fight
Against Slums"
dated June 4, 1967
(Exhibit O)

"Racial Violence Could Destroy
U.S., McCone Tells Senators"
dated August 23, 1967
(Exhibit P)

"'Police Brutality' Talk Fades,
McCone Tells Sheriff Class"
dated May 24, 1969
(Exhibit Q)

"McCone Will Help Push Bond Plan"
dated August 13, 1972
(Exhibit R)

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN 30 1973

TELETYPE

NR 035 LA PLAIN

00 11:10 PM NITEL 6-29-73 VLB

TO ACTING DIRECTOR (161-1709)

FROM LOS ANGELES (161-385) (P) 5P

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED: JULY 3, 1973, WITHOUT
FAIL.

RE LOS ANGELES TEL TO THE BUREAU 6-28-73.

REFERENCES: ASA V. CALL, HONORARY CHAIRMAN OF THE BOARD
PACIFIC MUTUAL LIFE INSURANCE (PMLI) CO., 612 WEST 6TH STREET,
LOS ANGELES, ADVISED ON 6-28-73 HE HAS KNOWN APPOINTEE AT LEAST
30 YEARS AS A BUSINESS ASSOCIATE AND AS A CLOSE SOCIAL FRIEND.
APPOINTEE HAS BEEN A MEMBER OF THE BOARD OF DIRECTORS OF PMLI
FOR AT LEAST 20 YEARS EXCEPT DURING THE PERIODS WHEN HE WAS
DIRECTOR OF THE ATOMIC ENERGY COMMISSION (AEC) AND THE CENTRAL
INTELLIGENCE AGENCY (CIA). APPOINTEE HAS AN EXTREMELY GOOD REPUTATION
IN THE BUSINESS COMMUNITY AND HIS HONESTY AND INTEGRITY ARE ABOVE
REPROACH. HIS CHARACTER IS IMPECCABLE AND THERE HAS NEVER BEEN
ANY SCANDAL OR NOTORIETY CONNECTED WITH HIS NAME. HE IS VERY
END PAGE ONE

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gebhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. Soyars _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Baise _____
Mr. Barnes _____
Mr. Bowers _____
Mr. Herington _____
Mr. Conmy _____
Mr. Mintz _____
Mr. Ardley _____
Mrs. Hogan _____

Mr. Callahan
Room 4246

C

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PAGE TWO

LA 161-385

INTELLIGENT, IS AN EXTREMELY CAPABLE ADMINISTRATOR, AND IS AN ASTUTE BUSINESSMAN. HE HAS BEEN EXTREMELY ACTIVE OVER THE YEARS IN COMMUNITY AFFAIRS AND PUBLIC SERVICE AS HE FEELS HE OWES A DEBT TO THE UNITED STATES AND TO THE PUBLIC^c AND HE DESIRES TO PAY IT IN THIS FASHION. LOYALTY TO THE UNITED STATES IS UNQUESTIONED AND CALL RECOMMENDS HIM HIGHLY.

BUSINESS AND SOCIAL ACQUAINTANCES: CLIFFORD T. TWETER, CHAIRMAN OF THE BOARD OF DIRECTORS, WESTERN BANCORP, 600 SOUTH SPRING STREET, LOS ANGELES, ADVISED ON 6-28-73 HE HAS KNOWN APPOINTEE OVER 20 YEARS AS A BUSINESS ASSOCIATE. APPOINTEE WAS ON THE BOARD OF DIRECTORS AT UNITED CALIF. BANK (UCB) IN THE 1950'S WHEN TWETER WAS PRESIDENT. IN 1959 APPOINTEE BECAME A MEMBER OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE COMMITTEE OF WESTERN BANCORP, WHICH IS A HOLDING COMPANY FOR 23 BANKS IN THE WESTERN STATES. DESCRIBED APPOINTEE AS HIGHLY INTELLIGENT AND COMPETENT INDIVIDUAL WHO HAS A VERY KEEN MIND AND EXCELLENT LEADERSHIP AND ADMINISTRATIVE QUALITIES. HE IS HARD WORKING, CONSCIENTIOUS, AND A DEDICATED PUBLIC SERVANT. CHARACTER, CONDUCT, HONESTY, INTEGRITY, AND REPUTATION ABOVE REPROACH AND MAKES EXCELLENT IMPRESSION ON EVERYONE. LOYALTY TO THE UNITED STATES UNQUESTIONED AND HIGHLY RECOMMENDED FOR ANY POSITION OF TRUST.

END PAGE TWO

PAGE THREE

LA 161-385

FRANK L. KING, RETIRED CHAIRMAN OF THE BOARD OF DIRECTORS OF UCB AND WESTERN BANCORP, 600 SOUTH SPRING STREET, LOS ANGELES, ADVISED ON 6-28-73 HE HAS KNOWN APPOINTEE SOCIALLY AND THROUGH BUSINESS FOR APPROX. 20 YEARS. THEY WERE MEMBERS OF THE BOARD OF DIRECTORS AT UCB AND BOTH HAVE BEEN ON THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE OF WESTERN BANCORP FROM 1959 TO PRESENT. APPOINTEE WAS OFF OF THESE BOARDS DURING THE TIME HE WAS WITH THE AEC AND CIA. APPOINTEE IS OUTSTANDING BUSINESSMAN AND HE HAS EXCELLENT LEADERSHIP QUALITIES. CHARACTER, INTEGRITY, BUSINESS ETHICS, MORAL STANDARDS, AND REPUTATION ABOVE REPROACH. HIGHLY RECOMMENDED BY EVERYONE IN THE BUSINESS COMMUNITY AND NEVER ANY SCANDAL OR NOTORIETY ATTACHED TO HIM^S NAME. ARTICULATE, CLEAR THINKER, AND DYNAMIC. LOYALTY UNQUESTIONED, RECOMMENDED HIGHLY.

FOLLOWING INDIVIDUALS INTERVIEWED ON DATES INDICATED, FURNISHED SUBSTANTIALLY THE SAME COMMENTS:

EDWARD CARTER, CHAIRMAN OF THE BOARD, BROADWAY HALE STORES, INC., 600 SOUTH SPRING STREET, KNOWN OVER 30 YEARS, SOCIALLY AND HAVE SERVED TOGETHER ON SEVERAL BOARDS OF DIRECTORS, 6-29-73.

STANTON HALE, CHAIRMAN OF THE BOARD OF DIRECTORS, PMLI CO., KNOWN 10 YEARS SOCIALLY AND THROUGH BUSINESS. 6-28-73.

FREDERICK LARKIN, CHAIRMAN OF THE BOARD OF DIRECTORS, SECURITY PACIFIC NATIONAL BANK (SPNB), 561 SOUTH SPRING STREET, KNOWN THROUGH BUSINESS SINCE 1965. 6-28-73.

END PAGE THREE

PAGE FOUR

LA 161-385

WARREN CHRISTOPHER, SENIOR PARTNER, O'MELVENY AND MYERS, ATTORNEYS, 611 WEST 6TH STREET, LOS ANGELES, KNOWN AS FELLOW MEMBER OF THE BOARD OF DIRECTORS, PLMI, SINCE 1965. 6-29-73.

NORMAN FRENCH SMITH, SENIOR PARTNER, GIBSON DUNN AND CRUTCHER, ATTORNEYS, 515 SOUTH FLOWER STREET, KNOWN THROUGH BUSINESS SINCE 1965. 6-29-73.

LEIGH BATTSON, RETIRED INVESTMENT MANAGER, 10375 WILSHIRE BLVD., BEVERLY HILLS, CALIF., KNOWN SOCIALLY OVER 20 YEARS. 6-29-73.

JAMES FRANCIS CARDINAL MC INTYRE, FORMER ARCH BISHOP OF ARCHDIOCESE OF LOS ANGELES, ST. BASIL'S RECTORY, LOS ANGELES, KNOWN OVER 25 YEARS AS FRIEND, MEMBER OF CHURCH, AND ACTIVE LAY CATHOLIC, 6-28-73.

CREDIT AND ARREST: NO RECORD FOR APPOINTEE AT CREDIT BUREAU OF GREATER LOS ANGELES ON 6-27-73, WHICH COVERS SAN MARINO, CALIF. NO RECORD FOR APPOINTEE, HIS WIFE THEILINE, OR SISTERS, MARGARET AICHER AND MARY LOUISE SHELBY AT LOS ANGELES POLICE DEPT. ON 6-28-73 OR LOS ANGELES COUNTY SHERIFF'S OFFICE ON 6-28-73. NO RECORD FOR APPOINTEE OR WIFE AT SAN MARINO, CALIF. POLICE DEPT. ON 6-27-73. NO RECORD FOR APPOINTEE'S SISTER, MARGARET AICHER, AT PASADENA POLICE DEPT. ON 6-28-73.

VERIFICATION OF RESIDENCE OF APPOINTEE'S SISTER, MARGARET AICHER, 670 WESTBRIDGE, PASADENA: MR. C. W. CHRISTIAN, 675 WESTBRIDGE,

END PAGE FOUR

PAGE FIVE

LA 161-385

PASADENA, ADVISED ON 6-28-73 HE HAS KNOWN MRS. AICHER, A WIDOW, AS A NEIGHBOR FOR SIX YEARS AND REGARDS HIGHLY AS TO CHARACTER, REPUTATION, AND LOYALTY.

VERIFICATION OF RESIDENCE OF SISTER MARY LOUISE SHELBY, 11922 SALT AIR, LOS ANGELES: DR. KENNETH NIEBERG, 11929 SALT AIR TERRACE, LOS ANGELES, ADVISED ON 6-29-73 HE HAS KNOWN MARY SHELBY AND HER HUSBAND, DR. DONALD SHELBY, AS NEIGHBORS FOR PAST THREE YEARS. COMMENT FAVORABLY CONCERNING CHARACTER, REPUTATION, AND LOYALTY.

INVESTIGATION CONTINUING AT LOS ANGELES. SPIN.

END

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

NR 012 SF PLAIN

7:54PM NITEL 7/2/73 CRH

JUL 02 1973

TELETYPE

TO: ACTING DIRECTOR (161-1709)

FROM: SAN FRANCISCO (161-2206) KRUC) 4P

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7/3/73 WITHOUT
FAIL.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

U 432859

RE LOS ANGELES TELETYPE 6/27/73.

ROBERT BRIDGES, ATTORNEY, THELAN, MARRIN, JOHNSON AND
BRIDGES LAW FIRM, 111 SUTTER STREET, SAN FRANCISCO, CALIFORNIA,
ADVISES THIS DATE THAT HE AND MC CONE HAVE BEEN CLOSE PERSONAL
FRIENDS AND BUSINESS ASSOCIATES FOR APPROXIMATELY 35 YEARS.
HE WAS ACQUAINTED WITH THE FORMER MRS. MC CONE AND KNOWS THE
PRESENT WIFE OF MC CONE AND CONSIDERS THEM PEOPLE OF THE
FINEST REPUTATION AND OF THE HIGHEST MORAL CHARACTER. BRIDGES
STATED HE HAS BEEN INVOLVED WITH THE LEGAL ASPECTS OF MERGER
OF JOSHUA HENDY CORPORATION WITH KAISER INDUSTRIES AND MC CONE
SERVES AS A DIRECTOR OF BOTH FIRMS. BRIDGES STATED THAT
MC CONE IS ALSO A DIRECTOR OF THE STANDARD OIL COMPANY OF
CALIFORNIA WITH WHOM HE HAS EXTENSIVE LEGAL CONTACTS. HE
STATED THAT MC CONE ENJOYS THE HIGHEST REPUTATION AND IS A
MAN OF UNQUESTIONED INTEGRITY. BRIDGES REMARKED THAT MC
IS A VIGOROUS INDIVIDUAL AND ENJOYS EXCELLENT HEALTH. HE
STATED THAT HE KNEW OF NO BUSINESSSS ACTIVITY WHICH COULD BE
CONSIDERED CONFLICTING WITH ANY GOVERNMENT APPOINTMENT AND HE

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70 AUG 23 1973

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Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Boase	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NOT RECORDED

9 AUG 15 1973

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PAGE TWO

SF 161-2206

RECOMMENDED HIM.

OTTO MILLER, CHAIRMAN, BOARD OF DIRECTORS, STANDARD OIL COMPANY, 225 BUSH STREET, SAN FRANCISCO, CALIFORNIA, ADVISES THIS DATE THAT HE AND MC CONE HAVE BEEN CLOSE FRIENDS FOR OVER 30 YEARS AND HAVE BEEN ENGAGED IN BUSINESS MATTERS TOGETHER FOR NEARLY THAT LENGTH OF TIME. HE STATED THAT MC CONE SERVES AS A DIRECTOR OF THE STANDARD OIL COMPANY OF CALIFORNIA AND THROUGH THIS SEES HIM AT LEAST ONCE EVERY MONTH AND USUALLY MORE FREQUENTLY. HE REMARKED THAT MC CONE INSPITE OF HIS YEARS ENJOYS VIGOROUS GOOD HEALTH AND HAS A TREMENDOUS CAPACITY FOR WORK AND UNDERSTANDING. MC CONE STATED THAT HE COULD THINK OF NO OBJECTION WHATEVER TO AN APPOINTMENT OF MC CONE TO ANY POSITION OF TRUST AND CONFIDENCE AND KNEW OF NO POSSIBILITY OF CONFLICT OF INTEREST. HE STATED THAT HIS CHARACTER, MORALS AND LOYALTY ARE ABOVE REPROACH. HE WOULD RECOMMEND HIM MOST HIGHLY.

DAVID PACKARD, CHAIRMAN, BOARD OF DIRECTORS, HEWLETT PARCKARD CORPORATION, ADVISED ON JUNE 28, 1973, HIS ACQUAINTANCE WITH MC CONE HAS BEEN ON A CASUAL BASIS FOR
END PAGE END PAGE TWO

PAGE THREE

SF 161-2206

15 OR 20 YEARS AND SERVES WITH HIM AS A MEMBER OF THE BOARD OF DIRECTORS OF STANDARD OIL COMPANY OF CALIFORNIA. PACKARD CONSIDERED MC CONE AN EXCELLENT PERSON FOR ANY POSITION FOR WHICH HE MAY BE CONSIDERED AND SAYS THAT HE IS COMPLETELY RESPONSIBLE IN ANY UNDERTAKING, ENTIRELY TRUSTWORTHY, AND HAS NEVER HEARD AN UNFAVORABLE REMARK CONCERNING JOHN MC CONE.

ON 6/28/73, EDGAR F. KAISER, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF KAISER INDUSTRIES, INC., OAKLAND, CALIFORNIA, ADVISED HE HAS BEEN ACQUAINTED WITH JOHN MC CONE, SINCE 1952, WHEN THEY WORKED AT BOULDER DAM TOGETHER. HE STATED THAT SINCE THAT TIME HE HAS HAD NUMEROUS BUSINESS DEALINGS WITH APPOINTEE AND THAT APPOINTEE IS CURRENTLY ON THE BOARD OF DIRECTORS OF HENDY INTERNATIONAL CORPORATION IN LOS ANGELES, CALIFORNIA, AND THIS CORPORATION IS A SUBSIDIARY OF KAISER ALUMINUM AND CHEMICAL. HE ADVISED HE ALSO KNOWS APPOINTEE VERY WELL SOCIALLY AND IN FACT THEY HAVE HOUSES NEXT TO EACH OTHER IN THE BAHAMAS. HE STATED APPOINTEE IS A

END PAGE THREE

PAGE FOUR

SF 161-2206

MAN OF HIGH INTEGRITY AND ENJOYS A VERY GOOD REPUTATION. HE FURTHER DESCRIBED APPOINTEE AS BEING OF HIGH MORAL CHARACTER, CONDUCT, AND LOYAL TO THE COUNTRY. KAISER HIGHLY RECOMMENDS THE APPOINTEE FOR A POSITION OF TRUST AND RESPONSIBILITY WITH THE GOVERNMENT. HE FURTHER STATED THE ONLY ONE IN OAKLAND WHO WOULD REALLY KNOW APPOINTEE OTHER THAN HIMSELF WOULD BE GENE TREFETHEN.

G.E. TREFETHEN, JR., PRESIDENT, KAISER INDUSTRIES CORPORATION, ADVISED HE HAS BEEN CLOSELY ACQUAINTED WITH APPOINTEE BOTH PROFESSIONALLY AND SOCIALLY SINCE THEY WORKED TOGETHER AT BOULDER DAM IN EARLY 1930. HE STATED THAT SUBSEQUENTLY THEY WORKED TOGETHER IN SHIP BUILDING DURING WORLD WAR II AND IN FACT KAISER INDUSTRIES BOUGHT HENDY INTERNATIONAL CORPORATION FROM APPOINTEE AND THE APPOINTEE IS ON THE BOARD OF DIRECTORS OF THIS ORGANIZATION. HE STATED HE HAS ALWAYS FOUND APPOINTEE TO BE A FINE GENTLEMAN OF HIGH INTEGRITY, GOOD MORAL CHARACTER, REPUTATION AND CONDUCT. HE STATED HE CONSIDERS APPOINTEE TO BE A LOYAL AMERICAN AND HIGHLY RECOMMENDS HIM FOR A POSITION OF TRUST AND RESPONSIBILITY WITH THE GOVERNMENT. RUC.

END

HOLD

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 30 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conny	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR001 SE PLAIN

705 PM NITEL 7-2-73 DCB

TO DIRECTOR (161-1709)

FROM SEATTLE (161-119) (RUC) 1P

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUTEL TO WFO, 6-26-73.

DR. CHARLES E. ODEGAARD, RETIRED PRESIDENT, UNIVERSITY OF
WASHINGTON, MEMBER BOHEMIAN CLUB, SAN FRANCISCO, APPOINTEE
DESIGNATE, ARMED FORCES MEDICAL ACADEMY, IS SLIGHTLY ACQUAINTED
WITH MC CONE BY REPUTATION, HAS NO PERSONAL KNOWLEDGE OF HIM,
HAS NO ADVERSE INFORMATION CONCERNING HIM. RUC.

END

cc destroyed

161-1709-97
NOT RECORDED

9 AUG 15 1973

10 AUG 23 1973

F B I

Date: 7/2/73

Transmit the following in PLAIN
(Type in plaintext or code)Via TELETYPE URGENT
(Priority)

TO: ACTING DIRECTOR, FBI (MAIL), AND LOS ANGELES (161-385)

FROM: SAC, WFO (161-9073)

JOHN ALEX MC CONE

SPI

BUDED 7/3/73, WITHOUT FAIL

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

432859

RE BUTEL TO WFO, 6/26/73.

HOUSE COMMITTEE ON INTERNAL SECURITY (HCIS) FILES
DISCLOSED MC CONE APPOINTED CHAIRMAN OF GOVERNOR BROWN'S
COMMITTEE OF INFLUENTIAL RESIDENTS OF LOS ANGELES AREA TO
INVESTIGATE THE CAUSES OF THE RIOTING IN WATTS, CALIFORNIA, AND
RECOMMEND ACTION TO PREVENT ITS RECURRENCE. DATE OF THE ABOVE
APPOINTMENT ABOUT AUGUST 1965.

LA VERIFY ABOVE.

cc:

1 - Bureau (mail)
1 - WFO
EWM A-2

161-1709-98
NOT RECORDED

9 AUG 15 1973

70 AUG 23 1973

Approved: Special Agent in Charge

Sent _____ M Per _____

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 02 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
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Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conroy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR001 SI PLAIN

5:43PM NITEL 7-2-73 SRL

TO: ACTING DIRECTOR

FROM: SPRINGFIELD (161-114) (P)

JOHN ALEX MC CONE, SPIGN BUDED 7-3-73

RE ALEXANDRIA NITEL 6-29-73.

ACQUAINTANCES. ON 6-30-73 ATTEMPTS WERE MADE TO LOCATE AND INTERVIEW RETIRED COLONEL LAWRENCE K. WHITE, PIASA-CHAUTAUQUA, ELSAH, ILLINOIS, WITH NEGATIVE RESULTS.

ON 7-1-73 JIM WHITE, SON OF RETIRED COLONEL LAWRENCE WHITE, ELSAH, ILLINOIS, ADVISED COLONEL WHITE IS VACATIONING IN GLACIER NATIONAL PARK, WYOMING, AND IS NOT SCHEDULED TO RETURN TO ELSAH, ILLINOIS, UNTIL AROUND 7-4-73. WHITE FURTHER STATED THERE ARE NO CONTACT POINTS FOR COLONEL WHITE.

UACB, SPRINGFIELD WILL INTERVIEW COLONEL WHITE UPON HIS RETURN TO ELSAH, ILLINOIS, ON OR ABOUT 7-4-73.

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VAE FBIHQ CLR.

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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DEF

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80 AUG 23 1973

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9 AUG 15 1973

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FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DEF

432859

NR007 DN PLAIN

7:33 PM NITEL 7/2/73 JSG

TO: ACTING DIRECTOR, FBI

FROM: DENVER (161-215) 2P

JOHN ALEX MC CONE. SPI. BUDED: 7/3/73.

RE ALEXANDRIA TELETYPE 6/29/73.

ON 7/2/73, LT. GEN MARSHALL S. CARTER, RETIRED,
2520 HILL CIRCLE, COLORADO SPRINGS, COLO., ADVISED HE
FIRST MET MC CONE DURING 12/61, OR 1/62, WHEN HE WAS
INTERVIEWED FOR JOB OF DEPUTY DIRECTOR, CIA. CARTER
APPOINTED AS DEPUTY DIRECTOR, CIA, UNDER MC CONE IN
3/62, AND SERVED IN THIS POSITION UNDER MC CONE UNTIL
4/26/65, WHEN MC CONE RESIGNED POSITON.

CARTER STATES HE CONSIDERS MC CONE TO BE OF
UNIMPEACHABLE CHARACTER AND A MAN OF INTEGRITY. CARTER
STATES MC CONE'S LOYALTY TO AMERICA IS UNQUESTIONED
AND STATES HE KNOWS NO DEROGATORY OR UNFAVORABLE
INFORMATION CONCERNING MC CONE, HIS FAMILY, OR ASSOCIATES.

END PAGE ONE

7 AUG 23 1973

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Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
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Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

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Coffey

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9 AUG 15 1973

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DN 161-215

PAGE TWO

CARTER STATES HE WOULD UNEQUIVOCALLY RECOMMEND
MC CONE FOR ANY POSITION OF TRUST BASED ON MC CONE'S
PAST PERFORMANCE AND HIS (CARTER'S) ASSOCIATION WITH
MC CONE.

UACB, NO REPORT BEING SUBMITTED BY DENVER DIVISION.

END TELE

RUC

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 03 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
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Mr. Cleveland	_____
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Mr. Bowers	_____
Mr. Herington	_____
Mr. Conny	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mr. Hogan	_____

NR 043 LA PLAIN

10:47 PM NITEL 7/2/73 RWM

TO ACTING DIRECTOR (161-1709)

FROM LOS ANGELES (161-385) (RUC) 3P.

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7/3/73 WITHOUT FAIL.

RE LOS ANGELES TEL TO THE BUREAU 6/29/73, AND WASHINGTON
FIELD TEL TO BUREAU 7/2/73.

BUSINESS AND SOCIAL ACQUAINTANCES.

LEONARD K. FIRESTONE, P.O. BOX 445, PEBBLE BEACH, CALIFORNIA,
FORMER PRESIDENT OF FIRESTONE TIRE AND RUBBER COMPANY OF CALIFORNIA,
CURRENTLY DIRECTOR OF THAT COMPANY, ADVISED ON 6/29/73, THAT HE
HAS KNOWN APPOINTEE SOCIALLY AND PROFESSIONALLY FOR ABOUT 15 YEARS.
THEY HAVE SERVED TOGETHER ON SEVERAL CIVIC PROJECTS AND COMMITTEES
AND THEY SEE EACH OTHER OFTEN AS SOCIAL FRIENDS. FIRESTONE SAID HE
HAS THE HIGHEST REGARD FOR APPOINTEE'S HONESTY, INTEGRITY, CHARACTER,
REPUTATION AND BUSINESS ETHICS. DESCRIBED HIM AS A VERY INTELLIGENT,
ABLE AND CONSCIENTIOUS ADMINISTRATOR. LOYALTY TO THE U.S. IS UN-
QUESTIONED AND RECOMMENDED HIM HIGHLY.

END PAGE ONE

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70 AUG 23 1973

9 AUG 15 1973

NOT RECORDED

161-1709-101

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LA 161-385

PAGE TWO

ON 6/29/73, MONT E. MC MILLEN, 86 EMERALD BAY, LAGUNA BEACH, CALIFORNIA, RETIRED, FORMER CHAIRMAN OF THE BOARD OF WESTERN BANCORP, ADVISED HE MET APPOINTEE IN 1961 WHEN APPOINTEE JOINED THE BOARD OF DIRECTORS OF WESTERN BANCORP. THEIR ASSOCIATION, WHICH IS PRIMARILY OF A BUSINESS NATURE, HAS CONTINUED TO THE PRESENT TIME. MC MILLEN SAID APPOINTEE IS EMINENTLY QUALIFIED FOR ANY HIGH LEVEL POSITION IN TERMS OF HIS CHARACTER, CONDUCT, REPUTATION AND ABILITY. APPOINTEE IS EXTREMELY WELL REGARDED IN THE BUSINESS AND SOCIAL COMMUNITY AND NO SCANDAL OR NOTORIETY HAS EVER BEEN CONNECTED WITH HIM. LOYALTY IS UNQUESTIONED AND HIGHLY RECOMMENDS.

ON 7/2/73, EDMUND G. "PAT" BROWN, PARTNER IN BALL, HUNT, HART, BROWN AND BAERWITZ, ATTORNEYS, 450 NORTH ROXBURY DRIVE, BEVERLY HILLS, CALIFORNIA, FORMER GOVERNOR OF CALIFORNIA, ADVISED HE MET APPOINTEE IN 1958 WHEN HE BECAME GOVERNOR. HE SAW APPOINTEE ON A NUMBER OF OCCASIONS FROM THAT TIME UNTIL 1965 WHEN HE APPOINTED MC CONE AS THE HEAD OF A COMMISSION TO INVESTIGATE THE WATTS RIOTS WHICH OCCURRED IN LOS ANGELES THAT YEAR. MC CONE DID A VERY THOROUGH, CONSCIENTIOUS AND EXCELLENT JOB AS HEAD OF THE COMMISSION AND BROWN WAS SATISFIED WITH THE RESULTS. HE HAS HAD NO CONTACT WITH MC CONE SINCE THEN. BROWN SAID HE APPOINTED MC CONE TO THE

END PAGE TWO

LA 161-385

PAGE THREE

COMMISSION BECAUSE OF MC CONE'S REPUTATION AS A BUSINESSMAN, DIRECTOR OF THE ATOMIC ENERGY COMMISSION AND THE CENTRAL INTELLIGENCE AGENCY. HE HAS HIGHEST REGARD FOR MC CONE'S CHARACTER, INTEGRITY, REPUTATION AND RECOMMENDS HIM HIGHLY FOR ANY POSITION OF TRUST.

ON 7/2/73 CARDINAL TIMOTHY MANNING, ARCHBISHOP OF LOS ANGELES DIOCESE, 1531 WEST NINTH STREET, LOS ANGELES, ADVISED HE MET MC CONE OVER 25 YEARS AGO AND HAS KNOWN HIM SINCE THAT TIME AS AN ACTIVE MEMBER OF THE CHURCH AND A HIGHLY REGARDED BUSINESS MAN. HE IS A MAN OF TREMENDOUS INTEGRITY AND NOTHING OF AN UNFAVORABLE NATURE CONCERNING HIM HAS EVER COME TO MANNING'S ATTENTION. MANNING COMMENTED FAVORABLY CONCERNING THE APPOINTEE'S WORK IN CHURCH AND ON VARIOUS BUSINESS SERVICE COMMITTEES AND SAID HE COULD RECOMMEND HIM WITHOUT QUESTION FOR ANY HIGH POSITION OF TRUST IN THE GOVERNMENT.

MISCELLANEOUS.

RECORDS OF THE LIEN DESKS, INTERNAL REVENUE SERVICE, 300 NORTH LOS ANGELES STREET AND CALIFORNIA STATE FRANCHISE TAX BOARD, 3325 WILSHIRE BOULEVARD, BOTH LOS ANGELES, REVIEWED ON 6/29/73 CONTAINED NO INFORMATION CONCERNING APPOINTEE OR WIFE.

NO REPORT BEING SUBMITTED - UACB. //

END

HOLD

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 03 1973

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
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Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR10 NY PLAIN

737PM NITEL 7/3/73 RRP

TO ACTING DIRECTOR

FROM NEW YORK 161-799

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DEW

432859

JOHN ALEX⁰ MC CONE, SPECIAL INQUIRY, BUDED JULY
THREE, SEVENTY THREE.

RE NEW YORK AIRTEL, JUNE TWENTY EIGHT, LAST, AND
CLEVELAND TELETYPE, JUNE TWENTY EIGHT, LAST.

ON JUNE TWENTY NINE, LAST, GENERAL LAURIS J. NORSTAD,
PRESIDENT, OWENS CORNING FIBERGLASS CORPORATION, SEVEN ONE
SEVEN FIFTH AVENUE, NEW YORK, NEW YORK, WHO HAS KNOWN APPOINTEE
SOCIALY AND PROFESSIONALLY SINCE FORTY SIX, ADVISED HE WORKED
CLOSELY WITH APPOINTEE ONE AND ONE HALF YEARS AND CONTINUES TO
SEE HIM THREE OR FOUR TIMES A YEAR. STATED APPOINTEE OF HIGHEST
POSSIBLE CHARACTER AND ETHICAL STANDARDS, OF UNQUESTIONABLE
REPUTATION, OF HIGHEST INTEGRITY, VERY COMPETENT ADMINISTRATOR
AND ABSOLUTELY NO QUESTION OF ASSOCIATES OR LOYALTY. APPOINTEE
KNOWS MANY PEOPLE IN CURRENT ADMINISTRATION. NORSTAD AWARE
APPOINTEE TESTIFIED BEFORE SENATE COMMITTEE CONCERNING IT
BUT ONLY KNOWLEDGE OBTAINED FROM NEWS MEDIA.

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70 AUG 23 1973

161-1709-102
NOT RECORDED

9 AUG 15 1973

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PAGE TWO

NORSTAD KNOWS OF NO CONFLICT OF INTEREST AND WOULD BE SURE APPOINTEE WOULD NOT ACCEPT A POSITION IF THERE WAS ANYTHING IN HIS BACKGROUND QUESTIONABLE. NORSTAD HIGHLY RECOMMENDS.

ON JULY TWO, LAST, JUAN TRIPPE, HONORARY CHAIRMAN OF THE BOARD, PAN AMERICAN WORLD AIRWAYS, PAN AM BUILDING, NEW YORK, NEW YORK, ADVISED APPOINTEE PERSONAL FRIEND KNOWN GREAT MANY YEARS. ASSOCIATION STRICTLY SOCIAL. DESCRIBED APPOINTEE AS CAPABLE, CONSERVATIVE, GOOD ADMINISTRATOR OF UNQUESTIONABLE CHARACTER, REPUTATION, ASSOCIATES AND LOYALTY. HIGHLY RECOMMENDS. ADDED APPOINTEE'S WIFE CHARMING WOMAN, FORMERLY A WIDOW.

ON JULY TWO, LAST, JOHN J. NAVIN, VICE PRESIDENT AND CORPORATE SECRETARY, ITT CORPORATION, THREE TWO ZERO PARK AVENUE NEW YORK, NEW YORK, ADVISED ONLY ASSOCIATION WITH APPOINTEE AT CORPORATED FUNCTIONS AND MEETINGS. ADDED APPOINTEE TESTIFIED BEFORE SENATE COMMITTEE DURING HEARINGS CONCERNING COMPANY AND ALL INFORMATION CONCERNING APPOINTEE MATTER OF PUBLIC RECORD. APPOINTEE NEVER ACTED IN ANY WAY AS TO CAUSE EMBARRASSMENT TO SELF OR ADMINISTRATION IN THE EVENT OF APPOINTMENT. NAVIN RECOMMENDS.

RUC.

END

F B I

Date: 7/3/73

Transmit the following in PLAIN
(Type in plaintext or code)Via TELETYPE URGENT
(Priority)

TO: ACTING DIRECTOR, FBI (MAIL) & KANSAS CITY, LOS ANGELES

FROM: SAC, WFO (161-9073)

JOHN ALEX MC CONE

SPI

BUDED 7/3/73, WITHOUT FAIL

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

REIBU TEL TO WFO, 6/26/73. NO COPY KANSAS CITY.

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION
MC CONE WHO IS BEING CONSIDERED FOR PRESIDENTIAL APPOINTMENT,
POSITION NOT STATED. BORN 1/2/02, SAN FRANCISCO, CALIFORNIA,
AND RESIDES 1100 OAK GROVE AVENUE, SAN MARINO, CALIFORNIA. ALSO,
MAINTAINS RESIDENCE AT THE HIGHLANDS, SEATTLE, WASHINGTON,
APPOINTEE FORMER DIRECTOR, CIA, 1961 TO 1965; AND FORMER
CHAIRMAN, AEC, 1958 TO 1961. SINCE 1965 APPOINTEE HAS BEEN
ASSOCIATED WITH HENDY INTERNATIONAL CORPORATION, LOS ANGELES.

WFO HAS DETERMINED SENATOR, JOHN V. TUNNEY AND SENATOR,
STUART SYMINGTON HAVE RETURNED TO THEIR RESIDENCES AND WILL NOT

NOT RECORDED

9 AUG 15 1973

CC

① - BUREAU (Mail)

1 - WFO

EWM A-2

Approved

Special Agent in Charge

Sent

M

Per

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

PAGE TWO

RETURN WDC UNTIL THE WEEK OF 7/10/73. FULL ITINERARY KNOWN
TO THEIR DISTRICT OFFICES.

KANSAS CITY INTERVIEW SENATOR SYMINGTON IN CARE OF
US COURT HOUSE, KANSAS CITY.

LOS ANGELES INTERVIEW SENATOR TUNNEY IN CARE OF
11000 WILSHIRE BLVD., LOS ANGELES.

DUE TO URGENT NATURE OF REQUEST, IT IS IMPERATIVE
BUDED BE MET WITHOUT FAIL. NO DELAY TOLERATED. SPIN.
P.

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 28 1973

TELETYPE

NR 006 KC PLAIN

230 PM URGENT 7-3-73 ECB

TO ACTING DIRECTOR, FBI
WFO (161-973)

FROM KANSAS CITY (161-136) RUC 1P

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gearty	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Rm.	_____
Mr. Bates	_____
Mr. Barnes	_____
Mr. Bo	_____
Mr. Herrington	_____
Mr. Conmy	_____
Mr. Mi	_____
Mr. Eardley	_____
Mrs. Hogan	_____

Mr. Callahan
1246

JOHN ALEX MC GONE, SPECIAL INQUIRY, BUDED 7-3-73, WITHOUT FAIL.

RE WASHINGTON FIELD TELETYPE, 7-3-73 TO KANSAS CITY AND
LOS ANGELES.

STANLEY A. FIKE, ADMINISTRATIVE ASSISTANT TO SENATOR
STUART SYMINGTON, ON 7-3-73, FROM HIS OFFICE, WASHINGTON,
D.C., TELEPHONICALLY ADVISED THAT SENATOR SYMINGTON IS
PRESENTLY IN WASHINGTON, D.C., AND DOES NOT PLAN TO RETURN
TO MISSOURI THIS WEEK. WASHINGTON FIELD HANDLE INTERVIEW
WITH SENATOR SYMINGTON.

RUC.

END.

cc destroyed

DKS FBI HQ CLR

Amey
C. J. J.

C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
432859

161-1709-104
NOT RECORDED

9 AUG 15 1973

70 AUG 23 1973

9-2

F B I

Date:

7/3/73

Transmit the following in _____
(Type in plaintext or code)

AIRTEL

Via _____
(Priority)

TO: ACTING DIRECTOR, FBI
FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE
SPI
Buded: 7/3/73

Re Butel, 6/26/73, Seattle tel 6/26/73, LA tel
6/27/73, WFO tels 7/2 and 7/3/73, Alexandria tel 6/29/73.

The following investigation was conducted by
SA ERNEST W. MINTON unless noted otherwise.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW
II432859

①-Bureau
1-WFO
EWM:clm
(2)

161-1709-105
NOT RECORDED
9 AUG 15 1973

Approved: 3ley

70 AUG 23 1973

Special Agent in Charge

Sent _____

M

Per _____

WFO 161-9073

RPC:sjs

1

White House Office (WHO)

The following investigation was conducted by SA
ROBERT P. CRONIN on June 29, 1973:

A search of the records of the Personnel Office,
WHO, revealed no information concerning JOHN ALEX MCCONE.

A search of the files of the Records Office, WHO,
revealed the following information concerning MCCONE:

- 9/27/47 Presidential appointment to be member of Air Policy Commission.
- 6/12/50 Presidential appointment to position of Undersecretary of the Air Force.
- 2/29/56 Appointed by the President as a special representative in the observance of the 80th birthday of Pope Pius XII.
- 7/11/58 Appointed by the President to be a member of the Atomic Energy Commission for a term of five years expiring June 30, 1963.
- 9/19/58 Presidential appointment as representative of the USA at the Second Session of the General Conference of the International Atomic Energy Agency.
- 9/2/59 Presidential appointment to be representative of the USA to the Third Session of the General Conference of the International Atomic Energy Agency.
- 9/12/60 Presidential appointment to be representative of the USA at the Fourth Session of the General Conference of the International Atomic Energy Agency.
- 2/1/62 Appointed by the President to be Director of the Central Intelligence Agency.

WFO 161-9073

RPC:sjs

2

4/3/64 Appointed by the President to be member of the President's Advisory Committee on Supersonic Transport.

7/7/66 Appointed as a member of the National Advisory Committee on Selective Service.

9/30/71

2/4/72

Nominated by the President to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency. In both cases records indicate the appointee was not confirmed.

The files contained no additional pertinent information.

THE UNITED STATES ATOMIC ENERGY COMMISSION (USAEC)

On July 2, 1973, Special Agent PETER P. OSINSKI conducted the following investigation at the United States Atomic Energy Commission (USAEC), Germantown, Maryland.

WILLIAM L. OAKLEY, Executive Assistant Director for Peaceful Nuclear Explosives, Division of Applied Psychology, advised that he has known the appointee, JOHN ALEX MCCONE, since 1958 and primarily in the professional capacity. Mr. OAKLEY explained that he served on the staff of the appointee from 1958 to January 20, 1961, while the appointee was the Chairman of the USAEC. He had little contact with the appointee after the appointee transferred to Central Intelligence Agency (CIA), and had no contact with the appointee in the last few years. He regards the appointee as an outstanding and skillful Management Administrator. As Chairman of the USAEC, he observed him to be effective in directing the USAEC and setting the policies for USAEC. He regards him as an able and knowledgeable person. Personally, he considers the character, associates, reputation, and loyalty of the appointee to be above question. He is a man of mature judgement and who has served his country skillfully in setting governmental policies. He has no reservations regarding the appointee either personally or professionally and highly endorsed him for employment in the United States Government in a position of trust and responsibility.

ROBERT P. HOLLINGSWORTH, General Manager USAEC, advised that he has known the appointee since 1958, and primarily in a professional capacity. He was closely associated with the appointee from 1958 to 1961 during the appointee's ten year tenure of service as the Chairman of the USAEC. Mr. HOLLINGSWORTH, who was the Deputy General Manager during this period, also had some contacts with the appointee while he was Director of the CIA and had about two meetings with him on business matters during the last two years. In his judgement, the

4

WFO 161-9073

PPO:lb

2

appointee is a man of outstanding ability, and from his observations he considers him to be very effective and forceful as an USAEC Chairman. He regards him as a top-notch industrialist and also as a Governmental Administrator. It is the opinion that Mr. MCCONE is a man of the highest personal integrity, and one who has rendered dedicated service to his country over the years. He regards the character, associates, reputation and loyalty of the appointee to be above reproach. He has no reservations regarding the appointee either personally or professionally and highly endorsed him for employment in the United States Government in a position of trust and responsibility.

5

WFO 161-9073

RTT:lsh

1

The following investigation was conducted by SA RICHARD T. TAYLOR, JR. on July 2, 1973:

Senator HENRY JACKSON (Washington) has known the appointee, JOHN ALEX MC CONE, on a personal and professional basis for more than ten years. He describes his former service as Director of the Central Intelligence Agency and as Commissioner of the Atomic Energy Commission as being marked by excellence and the highest degree of public service. He has traveled extensively in the company of the appointee and views his judgments with regard to political and professional matters as being reasonable and in the best interest of the United States. He has no question concerning the appointee's character, associates, reputation and loyalty. He recommends him to any post to which President NIXON may care to appoint him.

Senator WARREN G. MAGNUSON (Washington) has known the appointee on a personal and professional basis for approximately 15 years. He has no question concerning his character, associates, reputation and loyalty. He recommends him to any post to which President NIXON may care to appoint him.

On June 29, 1973, United States Senator, ALAN CRANSTON, California, advised SA MAURICE G. AUSTIN, the appointee, JOHN ALEX MC CONE is known to him and does not know of anything of a derogatory nature regarding his character, associates, loyalty and reputation and would have no objection to the appointee having a position of trust and confidence.

WFO 161-9073

EWM:mrh

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CHARLES J. V. MURPHY, Retired Writer, Time and Fortune Magazine, advised that he has known the appointee since 1943 and served in the U.S. Air Force with McCONE. MURPHY was a Colonel in the Air Force and the appointee was Undersecretary. Since that period of time MURPHY has regarded himself as being a close friend of the appointee's and has had little professional association with him since World War II. He said that McCONE was a very able, resourceful and competent individual who has all the qualities of an Administrator. He is intelligent and can readily make important decisions.

MURPHY related that the appointee is definitely a person of complete integrity, reputation and loyalty. He is highly regarded for his contributions in the business world and for the commendable service as Director of the CIA and as Chairman of the Atomic Energy Commission.

MURPHY was a friend of the appointee's first wife who died unexpectedly of heart failure in Los Angeles, California in or about 1961. McCONE later married THEILINE PIGOTT, Widow of PAUL PIGOTT who died of cancer. He said that he has high regard for both of the appointee's wives and indicated there was never any scandal with his marriages. The appointee had no children by his first marriage and had no children of his own with his second wife. He said that the appointee's second wife had several children and most of these children are grown.

MURPHY related that he could think of no one more qualified to handle a responsible and intricate Federal position than the appointee. He recommended McCONE wholeheartedly in a responsible Federal position.

WFO 161-9073

EWM:mrh

1

CREDIT AND POLICE AGENCIES

SA CHARLES W. SMITH caused a search to be made of the files of The Credit Bureau, Incorporated, Washington, D.C., and was advised on June 28, 1973, that the files contained no record for the appointee.

On June 28, 1973, WILLIAM H. LYERLY, JR. searched the files of the U.S. Park Police and no identifiable record could be found concerning the appointee or his wife, THEILINE PIGOTT McCONE.

SC JOHN PAUL WILLIAMMEE determined on June 28, 1973, that no record was contained in the Metropolitan Police Department files concerning the appointee or his wife, THEILINE PIGOTT McCONE.

It is to be noted that at all times an indefinite number of unidentified records are out of file and not available for review.

WFO 161-9073

EWM:mrh

1

MISCELLANEOUS

On 6/29/73, the records of the District of Columbia Marriage Bureau were checked by SC ROSE L. KEELEY and no record of marriage could be found for JOHN ALEX McCONE and THEILINE PIGOTT.

On 6/28/73, SC MYRA C. MILLER caused a search to be made of the files of the House Committee on Internal Security and nothing of a derogatory nature was on file for the appointee. Records did show, however, that McCONE was Chairman of California Governor BROWN's Commission to investigate the Cause and Further Prevention of Rioting in Watts, California.

On 7/2/73, SC ALICE N. MUNZER caused a search to be made of the files of the United States Secret Service, Department of Treasury and was advised that no record was on file for the appointee.

WFO 161-9073

EWM:clm

1

Secretary to Newspaper Columnist JOSEPH ALSOP advised ALSOP on vacation until July 16, 1973 and unavailable for interview. Also, SHERMAN KENT, 2824 Chain Bridge Road, N.W., Washington, D.C. not located. Neighbors had no knowledge of KENT. Secretary of State WILLIAM ROGERS currently out of country and will not return for about three weeks. No further attempts being made to locate and interview the above individuals. UACB.

WFO WILL INTERVIEW SENATOR
SYMINGTON upon his return, 7/5/73.
WILL report CSC, IRS

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 3 1973
TELETYPE

NR 014 LA PLAIN

923PM NITEL 7-3-73 MAH

TO ACTING DIRECTOR

FROM LOS ANGELES (161-9073) (P) 1P

JOHN ALEX MC CONE, SPIN, BUDED 7-3-73, WITHOUT FAIL.

RE WASHINGTON FIELD OFFICE TEL TO THE BUREAU 7-3-73.

PETER J. FEAREY, FIELD REPRESENTATIVE TO SENATOR
JOHN B. TUNNEY, 11000 WILSHIRE BOULEVARD, LOS ANGELES,
CALIFORNIA, ADVISED SENATOR TUNNEY IS CURRENTLY ON VACATION
AND IN TRAVEL STATUS AND HIS OFFICE WILL BE UNABLE TO CONTACT
HIM UNTIL 7-9-73.

LOS ANGELES WILL CONTACT SENATOR TUNNEY CONCERNING
APPOINTEE ON 7-9-73.

END

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW
11432859

cc destroyed

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

Mr. Cole
Room 1246

Ames
C. J. Galt

C

161-1709-106
NOT RECORDED

9 AUG 15 1973

364
70 AUG 23 1973

9-12

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gelnhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Boice	_____
Mr. Burns	_____
Mr. Lowery	_____
Mr. Hoxington	_____
Mr. Conny	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR 021 BS PLAIN

11:11 PM NITEL 7-5-73 DAD

TO: ACTING DIRECTOR

FROM: BOSTON 161-669 RUC

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

JOHN ALEX MCCONE, SPIN, BUDED 7-3-73.

RE ALEXANDRIA NITEL 6-29-73.

LYMAN B. KIRKPATRICK, ANAWAN CLIFFS DRIVE, NARRAGANSETT, RHODE ISLAND, WAS CONTACTED ON 7-5-73 AND ADVISED THAT HE KNEW THE APPOINTEE WELL FOR THE PERIOD OF NOVEMBER 1961 THROUGH APRIL 1965 WHILE THE APPOINTEE WAS DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY (CIA) AND KIRKPATRICK WAS THE EXECUTIVE DIRECTOR. KIRKPATRICK FURTHER ADVISED THAT HE KNEW THE APPOINTEE BOTH SOCIALLY AND PROFESSIONALLY AND THE APPOINTEE WAS ONE OF THE BEST DIRECTORS THAT CIA HAD. KIRKPATRICK STATED HE DID NOT KNOW THE APPOINTEE BEFORE THE APPOINTEE CAME TO THE CIA AND HAS NOT MAINTAINED CONTACT WITH THE APPOINTEE SINCE THE APPOINTEE HAD RESIGNED FROM THE CIA. KIRKPATRICK STATED THE APPOINTEE'S CHARACTER WAS A MAN OF UNIMPEACHABLE REPUTATION AND AN EXTREMELY COMPETENT ADMINISTRATOR. KIRKPATRICK

END PAGE ONE

MR. COLEMAN
RM 1246

one v. field
John

C

161-1709-107

NOT RECORDED

9 AUG 16 1973

cc destroyed

364
80 AUG 23 1973

9-2

BS 161-669

PAGE TWO

NEVER KNEW OF ANY DEROGATORY INFORMATION WITH REFERENCE TO THE APPOINTEE AND ADVISED THAT HE HAS NO REASON WHATSOEVER TO QUESTION THE APPOINTEE'S LOYALTY, INTEGRITY, OR CHARACTER. KIRKPATRICK HIGHLY RECOMMENDS APPOINTEE WITHOUT ANY RESERVATION FOR A POSITION WITH THE FEDERAL GOVERNMENT AND ADVISED THAT IN HIS OPINION, THE FEDERAL GOVERNMENT WOULD BE EXTREMELY LUCKY TO OBTAIN THE SERVICE OF A MAN WITH THE APPOINTEE'S ABILITY AND CHARACTER.

END.

HOLD

CLXX CKG FBI HQ

ACK FOR SIX

F B I

Date: 7/5/73

Transmit the following in _____
(Type in plaintext or code)Via Airtel _____
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE

SPI

BUDED 7/3/73

Re WFO airtel, 7/3/73.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

1432859

161-1709-108
NOT RECORDED
9 AUG 15 1973

CC:

1 - Bureau

1 - WFO.

EWM

A-2

Approved: 364
20 AUG 23 1973

Special Agent in Charge

Sent _____ M Per _____

WFO 161-9073

EWM:sls

1

Mr. BRONSON TWEEDY, 5310 Woodlawn Avenue, Kenwood, Maryland, retired, advised Special Agent ALLAN A. ANDERSON on July 3, 1973, that he was formerly Deputy to the Director for the Intelligence Community, Central Intelligence Agency. He stated that he first became acquainted with the appointee, JOHN ALEX MC CONE when he became Director of the Central Intelligence Agency in 1961. He served under the appointee at the Central Intelligence Agency during the period 1961-1965. He considers the appointee to be a stable, polite, personable, neat, intelligent, aggressive, strong-minded, capable, experienced individual whose character, associates, reputation and loyalty are beyond reproach. He has socialized occasionally with the appointee over the years and he has always been pleasant company. He met the appointee's wife, THEILINE MC CONE on a number of occasions and found her to be a charming woman. To his knowledge the appointee does not partake of intoxicants to excess. To his knowledge the appointee is in excellent health. He recommended him without hesitation for a position of trust and confidence with the United States Government.

WFO 161-9073

MGA:mmd

1

The following investigation was conducted by SA MAURICE G. AUSTIN on 7/3/73:

STANLEY FIKE, Administrative Assistant to United States Senator STEWART SYMINGTON, Missouri, advised the Senator is unavailable, and he is authorized to speak for him regarding the appointee, JOHN ALEX MC CONE. The appointee is very well known personally to the Senator as a friend who he has known for many years. Senator SYMINGTON first brought the appointee into the Government when he was the Secretary of the Air Force and the appointee served under him as the Assistant Secretary of the Air Force. Senator SYMINGTON thinks very highly of the appointee and recommends him for a position of trust and confidence.

MARY H. SQUIRES, Legislative Assistant to United States Senator WALLACE F. BENNETT, Utah, advised Senator BENNETT is hospitalized and unavailable and she is authorized to speak for him regarding the appointee. The Senator comments to be the same as given in the previous investigation. He continues to think highly of the appointee, and he recommends him for a position of trust and confidence.

WFO 161-9073

EWM:sls

1

MISCELLANEOUS

On July 2, 1973, SA PETER P. OSINSKI determined that the following record concerning the appointee was obtained in the Personnel Security Files, division of Security, United States Atomic Energy Commission, Germantown, Maryland.

Security file WA 17925 disclosed that:

February 10, 1961

The "Q" clearance for JOHN ALEX MCCONE was extended to CIA.

The "Q" clearance continues active, for the appointee as a member of the CIA Nuclear Intelligence Panel.

The file contained no additional pertinent information.

WFO: CSC, IRS

4*

F B I

Date: 7/5/73

Transmit the following in _____
(Type in plaintext or code)Via Airtel _____
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE
SPI
BUDED 7/3/73

Re WFO airtel, 7/3/73, and 7/5/73.

On July 5, 1973, SA ALICE N. MULZER caused a search to be made of the files of the Bureau of Personnel Investigations, Civil Service Commission and was advised that no record was on file for the appointee.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
11432859

cc:

① - Bureau
1 - WFO
EWM A-2

161-1709-109
NOT RECORDED
9 AUG 15 1973

Approved: 364
Special Agent in ChargeSent _____ M Per g-f

161-9073

RTT:law

1

The following investigation was conducted by
SA RICHARD T. TAYLOR, JR. on July 3, 1973:

JOHN O. PASTORE (Rhode Island), Vice-Chairman, Joint Committee on Atomic Energy, advised he has known the appointee, JOHN ALEX MC CONE, for more than ten years on a personal and professional basis. He had frequent contact with him during the appointee's former service as Director of the Central Intelligence Agency and during the period of his service as a Commissioner of the Atomic Energy Commission. He has travelled extensively with him and participated with him in various international energy conferences. He views him as a highly intelligent and patriotic person who is worthy of continued public service. He endorses him to any position to which President NIXON may care to appoint him. He knows of no unfavorable information concerning the appointee's morals, mannerisms, reputation, or associates.

GEORGE F. MURPHY, JR., Deputy Director, Joint Committee on Atomic Energy and a former employee of the Central Intelligence Agency, has known the appointee on a personal and professional basis for ten or more years. He also has been in his company in attendance at various international energy conferences both in the United States and abroad. He describes him as a dedicated sincere and patriotic citizen. He knows of no information which would cause him to question the appointee's character, associates, reputation and loyalty. He endorses him without question to a position of trust and responsibility in the United States Government.

JAMES A. MC KENNA, Executive Secretary to Senator PASTORE, has known the appointee on a personal and professional basis for ten or more years, as a result of the appointee's frequent contact with Senator PASTORE. His personal contact with him as well as his observation of the appointee convinces Mr. MC KENNA the appointee is a loyal American of good character, reputation, and associates. He recommends him to a position of trust and responsibility in the United States Government.

WFO: IRS

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. Gebhardt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Ferington	_____
Mr. Conny	_____
Mr. Eardley	_____
Mrs. Hogan	_____

NR006 SI PLAIN

5:57 PM NITEL 7-6-73 BRC

TO ACTING DIRECTOR

FROM SPRINGFIELD (161-114) 1P

JOHN ALEX MC CONE. SPIN.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEW

4432859

RE SPRINGFIELD NITEL TO THE BUREAU 7-2-73.

ACQUAINTANCES. ON 7-6-73 COLONEL LAWRENCE K. WHITE (RETIRED), FORMER EXECUTIVE DIRECTOR, CIA, PIASA-CHAUTAUQUA, ELSAH, ILLINOIS, ADVISED HE KNEW JOHN ALEX MC CONE WHILE MC CONE WAS CIA DIRECTOR FROM 1961 THROUGH 1965. WHITE STATED HE WAS DEPUTY DIRECTOR IN CHARGE OF SUPPORT WHILE MC CONE WAS DIRECTOR OF THE CIA. WHITE DESCRIBED MC CONE AS A HIGHLY EFFECTIVE EXECUTIVE WHO WAS CAPABLE OF OBTAINING PRODUCTIVE RESULTS. WHITE STATED HE KNEW OF NO DEROGATORY INFORMATION CONCERNING MC CONE AND FURTHER STATED HE KNEW OF NO FINANCIAL DIFFICULTIES OF MC CONE.

UACB, NO REPORT BEING SUBMITTED. RUC.

END

cc destroyed

161-1709-410
NOT RECORDED

9 AUG 15 1973

70 AUG 23 1973

9-8

F B I

Date: 7/6/73

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: ACTING DIRECTOR, FBI (161-1709)

FROM: SAC, ALEXANDRIA (161-2146) (RUC)

JOHN ALEX MC CONE
SPI

BUDED: 7/3/73

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DF

432859

Re Bureau teletype, 6/26/73; LA teletype to the
Bureau, 6/27/73; AX teletype, 6/29/73.The following investigation was conducted by
SA EDWARD C. RUDIGER:

b3 per CIA

A review of the CIA Security File material of the
appointee and his spouse, THEILINE PIGOTT, was conducted by[redacted]
CIA, McLean, Virginia, on 7/3/73, in the presence of SA RUDIGER
and Mr. KUHN advised that no derogatory information was located.[redacted], CIA, McLean,
Virginia, advised on 7/2/73, that JOHN ALEX MC CONE was orig-
inally associated with that agency on 10/13/61 as a Consultant
in the Office of the Director of Central Intelligence, at a
pay scale of \$50.00 per consultation, and he remained in that
capacity until 11/29/61. As of 12:00 noon that same day,
11/29/61, [redacted] advised that her records revealed MC CONE
received a Presidential appointment as the Director of CIA
and served as such until 4/28/65 when he retired under the
Optional Provisions of the Civil Service Retirement Act.
There was nothing adverse noted in MC CONE's personnel file.ASSOCIATES

b3 per CIA

① Bureau
1- Alexandria
ECR:jcr
(2)161-1709-111
NOT RECORDED

17 JUL 6 1973

Approved: 20 AUG 1973
Special Agent in Charge

Sent _____ M Per _____

U.S. Government Printing Office: 1972-455-574

[redacted] CIA, McLean, Virginia, on 7/2/73, advised that he was associated with JOHN MC CONE during MC CONE's whole tenure as CIA Director. [redacted] said he has never met a man in Government who was more honest than the appointee when he dealt directly with the President, members of the Cabinet or in his appearances before the Congress. He said MC CONE was a man of absolute integrity whose intelligence and dependability were unequalled in anyone he, [redacted] has ever met. He said during his period of associating with the appointee, he developed genuine respect and admiration of Mr. MC CONE as a conscientious Government official who was a resourceful Government manager and a scrupulously honest individual in dealing with Government funds. [redacted] said there can be no doubt the appointee is one of the country's most loyal Americans and a person whose associates reflect the high stature of the appointee himself. [redacted] advised that he was not well acquainted with the appointee's family; however, he had met Mrs. MC CONE at several social functions and found her to be a gracious, outgoing person. He added that he would readily recommend JOHN MC CONE without any qualms for any position with the U.S. Government.

b3 per CIA

On 7/2/73, [redacted] CIA, McLean, Virginia, advised he first met JOHN MC CONE in approximately June, 1961, and served under him as [redacted] while he, MC CONE, was CIA Director. [redacted] related that MC CONE was an exacting taskmaster as a superior and an individual of very rare intelligence and integrity. According to [redacted] anyone who ever worked with JOHN MC CONE would have to respect him as a person of unusual character and dedication to his country. In attesting to the appointee's traits of character, [redacted] said he recalled the appointee to be aptly described by a colleague when this individual said that he had never heard JOHN MC CONE utter a foolish word. He noted that in his personal opinion when the appointee retired as CIA Director in 1965, it was an exceptional loss of a capable and dedicated public servant by the U.S. Government. [redacted] advised that although he had been in numerous social situations where he met the appointee's spouse, he was not really well acquainted with her or other members of the appointee's family. He did say that to the best of his knowledge they were fine outstanding people and loyal Americans. In conclusion, [redacted] said that in all the years he has known the appointee there has never been any doubt as to Mr. MC CONE's devotion and loyalty to

AX 161-2146

the U.S. Government, his integrity or his type or choice of associates. He added that Mr. MC CONE has an unblemished reputation and he would proudly recommend the appointee for any position of trust and confidence for which he might be chosen.

b3 per CIA

On 7/2/73, [redacted]
[redacted] McLean, Virginia, advised that he has known JOHN MC CONE since 11/29/61, when MC CONE was appointed as director of that agency. [redacted] stated that on 5/3/62 he became the appointee's [redacted] at CIA and has been associated with him off and on ever since. He described MC CONE as an extremely intelligent, energetic, loyal and dedicated American. He said MC CONE is a man of blunt honesty and was among the most outstanding and competent Government officials with whom he has ever had the pleasure to be associated. [redacted] said he would go on record as saying there could be no doubt as to the character, reputation, loyalty or choice of associates of either the appointee or his family. [redacted] gave his unqualified recommendation to Mr. MC CONE for any position of trust and confidence for which he may be chosen in the Government.

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUL 09 1973

TELETYPE

NR 003 LA PLAIN

12:06 PM URGENT 7-9-73 SMA

TO ACTING DIRECTOR

FROM LOS ANGELES (161-385) (RUC) 1P

JOHN ALEX MC CONE, SPIN, BUDED PAST.

RE LOS ANGELES TELETYPE TO BUREAU 7/3/73.

OFFICE OF SENATOR JOHN B. TUNNEY, 11000 WILSHIRE
BOULEVARD, LOS ANGELES, CALIFORNIA, ADVISED SENATOR TUNNEY
CONTACTED THROUGH HIS ADMINISTRATIVE ASSISTANT, HADLEY ROFF,
AND STATES EVERYTHING HE KNOWS CONCERNING MC CONE IS
FAVORABLE AND HE RECOMMENDS.

END

HOLD FOR ONE

ACK TWO

JTG FBIHQ

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

U432859

cc destroyed

Mr. Felt	_____
Mr. Bates	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baker	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Harington	_____
Mr. Conway	_____
Mr. Nease	_____
Mr. Eardley	_____
Mrs. Hagan	_____

copy

Mr. Callahan
1246

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161-1709-42
NOT RECORDED
9 AUG 15 1973

364
70 AUG 23 1973

g. pr

NR 033 LA PLAIN

711PM NITEL 7-11-73 JCD

TO DIRECTOR

WASHINGTON FIELD (161-9073)

FROM LOS ANGELES (161-385) (RUC) 2P

JOHN ALEX MC CONE, SPI, BUDED 7-3-73.

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

TELETYPE

Mr. Felt	_____
Mr. Baker	_____
Mr. Callahan	_____
Mr. Cleveland	_____
Mr. Conrad	_____
Mr. G. L. Galt	_____
Mr. Jenkins	_____
Mr. Marshall	_____
Mr. Miller, E.S.	_____
Mr. Soyars	_____
Mr. Thompson	_____
Mr. Walters	_____
Tele. Room	_____
Mr. Baise	_____
Mr. Barnes	_____
Mr. Bowers	_____
Mr. Herington	_____
Mr. Conmy	_____
Mr. Mintz	_____
Mr. Eardley	_____
Mrs. Hogan	_____

RE WASHINGTON FIELD TELETYPE TO BUREAU, 7-11-73.

BETTY BOTHE, APPOINTEE'S SECRETARY, ADVISED THIS DATE THAT APPOINTEE WAS FIRST NOMINATED FOR MEMBERSHIP ON THE GENERAL ADVISORY COMMITTEE OF THE ARMS CONTROL AND DISARMAMENT AGENCY IN SEPTEMBER 1971. HE MAY HAVE BEEN NOMINATED AGAIN BUT HE HAS ALWAYS CONSIDERED IT ONE NOMINATION. HE HAD NEVER BEEN CONFIRMED FOR THE POSITION BECAUSE DURING 1971 AND 1972 SENATOR WILLIAM FULBRIGHT HAD BEEN TRYING UNSUCCESSFULLY TO GET SOME MEMBERS OF THE COMMITTEE OR SOME WHITE HOUSE PERSONNEL TO TESTIFY BEFORE HIS FOREIGN RELATIONS COMMITTEE AND THE WHITE HOUSE REFUSED TO ALLOW THEIR TESTIMONY ON THE BASIS OF EXECUTIVE PRIVILEGE. FULBRIGHT THEREFORE REFUSED

END PAGE ONE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4 BJA/DFW

U432859

cc destroyed

7/12/73
Minter, WFO
was advised this date
not to interview Senator
no further investigation along this
line necessary
161-1709-1B
NOT RECORDED
9 AUG 15 1973

364
70 AUG 23 1973

PAGE TWO

LA 161-385

TO CALL MC CONE AND SEVERAL APPOINTEES BEFORE HIS COMMITTEE
FOR CONFIRMATION.

WASHINGTON FIELD INTERVIEW SENATOR FULBRIGHT IF DEEMED
ADVISABLE.

RUC.

END

DLM FBI HQ ACK FOR SIX CLR

F B I

Date: 7/11/73

Transmit the following in PLAINTEXT
(Type in plaintext or code)Via TELETYPE URGENT
(Priority)

TO: DIRECTOR, FBI (MAIL) AND SAC LOS ANGELES (161-385)

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE, SPI, BUREAU DEADLINE: 7/3/73.

REFERENCE BUREAU TELETYPE, 6/26/73 AND LOS ANGELES
TELETYPE, 6/27/73.

WHITE HOUSE RECORDS DISCLOSED MC CONE WAS NOMINATED BY
THE PRESIDENT TO BE A MEMBER OF THE GENERAL ADVISORY COMMITTEE
OF THE UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY ON
9/30/71 AND ALSO ON 2/4/72. RECORDS INDICATED HE WAS NOT
CONFIRMED ON BOTH OCCASIONS.

WFO HAS BEEN UNABLE TO DETERMINE REASON FOR NOT CONFIRMING
APPOINTEE ABOVE POSITION.

LOS ANGELES ATTEMPT TO DETERMINE REASON FOR NON-CONFIRMATION
OF APPOINTEE ABOVE POSITION THROUGH APPOINTEE'S SECRETARY,
BETTY BOTHE.

- ① - Bureau
1 - WFO
1 - Tickler
EWM:bjl
(3)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

432859

NOT RECORDED

9 AUG 15 1973

Approved: MT/RR
Special Agent in Charge

Sent _____ M Per _____

1 - Mrs. Mutter
1 - Mr. Cleveland
1 - Mr. Coleman
1 - Mr. Coady

July 11, 1973

BY LIAISON

Miss Jane Dannenhauer
Staff Assistant (Security)
The White House
Washington, D. C.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/dpw

432859

Dear Miss Dannenhauer:

In accordance with your request received on June 26, 1973, an investigation has been conducted concerning Mr. John Alex McCone. Transmitted herewith is a summary memorandum containing the results of this investigation.

The enclosed summary memorandum covers Mr. McCone's activities since November, 1961. It is noted that previous applicant-type investigations were conducted by this Bureau concerning Mr. McCone in 1948, 1950, 1954, 1958, and 1961. The results of those investigations were summarized in communications dated May 5, 1954; June 12, 1958; June 24, 1958; June 30, 1958; and November 2, 1961, copies of which were forwarded to The White House by letter dated December 3, 1969.

Information has been received from the Internal Revenue Service and the Bureau of Personnel Investigations, Civil Service Commission, indicating checks of their files concerning Mr. McCone have not been completed. When these checks have been completed, you will be advised.

Sincerely yours,

Clarence M. Kelley
Director

EX-112
REC-67

161-1709-115
RECORDED

9 AUG 15 1973

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gebhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. Soyars _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Baise _____
Mr. Barnes _____
Mr. Bowers _____
Mr. Herington _____
Mr. Conny _____
Mr. Mintz _____
Mr. Eardley _____
Mrs. Hogan _____

ENCLOSURE

Enclosures (2)

SEE NOTE PAGE 2.

DELIVERED BY LIAISON
ON 7/12/73

MAIL ROOM ☐

TELETYPE UNIT ☐

Return to Mr. COADY, Room 7642.

Miss Jane Dannenhauer

b3 per IRS

NOTE: McCone, aged 71, is former head of AEC and CIA. Since 1965 has been consultant to Board of Hendy International Corporation, Los Angeles, and member of Board of Directors of numerous corporations including IT&T. Investigation favorable. Business associate advised [REDACTED]

[REDACTED]

[REDACTED] IRS and CSC
outstanding.

1 copy with enclosure
to ABDA per Harman-Lance,
WH - 6/18/74

July 10, 1973

JOHN ALEX MC CONE

Summary

THE INVESTIGATION OF MR. MC CONE COVERED INQUIRIES AS TO HIS CHARACTER, LOYALTY, ABILITY, AND GENERAL STANDING, BUT NO INQUIRIES WERE MADE AS TO THE SOURCES OF HIS INCOME.

NY
D.C.

The information in this summary memorandum covers the period since November, 1961. Mr. McCone was born on January 4, 1902, in San Francisco, California.

Residence

Mr. and Mrs. McCone presently reside at 1100 Oak Grove Avenue, San Marino, California. They also maintain a residence at The Highlands, Seattle, Washington.

Employment

From November, 1961, until February, 1962, Mr. McCone continued his employment as President of Panamax Pacific Tankers Corporation and Chairman of the Board of Directors of Joshua Hendy Corporation, both of Los Angeles, California.

From November, 1961, to February, 1962, Mr. McCone additionally continued his employment as a member of the Board of Directors of Standard Oil Company of California, San Francisco, California; Trans World Airlines, Los Angeles, California; Western Bancorporation, Los Angeles, California; First Western Bank and Trust Company, Los Angeles, California; and Pacific Mutual Life Insurance Company, Los Angeles, California.

He served as Director of the Central Intelligence Agency in Washington, D. C., from February, 1962, until his resignation in April of 1965.

Officials of the Panamax Pacific Tankers Corporation and the Joshua Hendy Corporation advised that Mr. McCone's interests in those companies were put in trust during his tenure

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DATE 3-22-02 BY SP4BJA/DKJ
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161-1709-115

ENCLOSURE

Return to Mr. COADY, Room 7642.

MAIL ROOM ☐

TELETYPE UNIT ☐

John Alex McCone

with the Central Intelligence Agency. Officials of the various companies on which he served as a member of the Board of Directors, as mentioned hereinbefore, advised that he resigned from those firms upon the assumption of his duties with the Central Intelligence Agency.

From May, 1965, to December, 1969, Mr. McCone was employed as Chairman of the Board of Directors of Joshua Hendy Corporation, Los Angeles, California.

Mr. McCone served as Chairman of the Board of Directors, Hendy International Corporation, Los Angeles, California, from May, 1965, to September 30, 1972, on which date Hendy International Corporation became a subsidiary of Kaiser Aluminum and Chemical Corporation, Los Angeles, California.

Since October, 1972, Mr. McCone has been serving as Consultant to the Board of Directors, Hendy International Corporation, Los Angeles, California.

Since May, 1965, Mr. McCone additionally has been a member of the Board of Directors of Standard Oil Company of California, San Francisco, California; United California Bank, Los Angeles, California; Western Bank Corporation, Los Angeles, California; Pacific Mutual Life Insurance Company, Los Angeles, California; and Paccar, Incorporated, Seattle, Washington. Additionally, since January, 1966, Mr. McCone has been a member of the Board of Directors of the International Telephone and Telegraph Corporation, New York, New York.

Interviews

Joseph M. Tescher, Vice President in Charge of Administration, Hendy International Corporation, Los Angeles, California, advised he has known Mr. McCone since January, 1946, when he became controller of Joshua Hendy Corporation. At that time Mr. McCone was President of that corporation. In 1949 the Joshua Hendy Corporation went into the shipping business, which business it carried on until 1969. He stated Hendy International Corporation was organized in the early 1960s and the ship operating contracts of Joshua Hendy Corporation were transferred to Hendy International Corporation. Joshua Hendy Corporation was liquidated in December, 1969.

John Alex McCone

Mr. Tescher stated Mr. McCone was variously President, Chairman of the Board, and principal stockholder of Joshua Hendy Corporation and Hendy International Corporation until September, 1972, when the latter corporation became a subsidiary of Kaiser Aluminum and Chemical Corporation of Los Angeles, California. Mr. Tescher noted that the Panamax Pacific Tankers Corporation of which Mr. McCone was President in 1961 was liquidated in 1964. He stated that corporation was wholly owned by Mr. McCone.

b3 per IRS

Mr. Tescher stated that [REDACTED]

[REDACTED]

Mr. Tescher stated Mr. McCone is the finest man he has ever met. He described his character, integrity, honesty, moral standards, business ethics, and general reputation as outstanding. He said Mr. McCone has been vitally interested in national and community affairs, has involved himself with numerous commissions and committees devoted to the public good, and has received many awards for his accomplishments. He described him as a very astute and intelligent businessman and an extremely able administrator. He recommended him without reservation for any position of trust.

Edmund G. "Pat" Brown, partner in the law firm of Ball, Hunt, Hart, Brown and Baerwitz, Beverly Hills, California, and former Governor of California, advised he has known Mr. McCone since 1958 when he became Governor. He stated he saw him on numerous occasions from that time until 1965 when he appointed

John Alex McCone

him as head of a commission to investigate the Watts riots which occurred in Los Angeles that year. Mr. McCone did a very thorough, conscientious, and excellent job as head of the commission and he was satisfied with the results. He appointed Mr. McCone to the commission because of his reputation as a businessman and as former Director of the Atomic Energy Commission and the Central Intelligence Agency. He has the highest regard for Mr. McCone's character, integrity, and reputation and recommended him highly for any position of trust.

Asa V. Call, Honorary Chairman of the Board, Pacific Mutual Life Insurance Company, Los Angeles, California, advised he has known Mr. McCone for thirty years as a business associate and close personal friend. He stated Mr. McCone has been a member of the Board of Directors of that corporation for at least twenty years, except during his employment with the Federal Government. He noted Mr. McCone has an extremely good reputation in the business community and his honesty and integrity are above reproach. He described his character as impeccable and stated there has never been any scandal connected with his name. He further described him as being an intelligent and extremely capable administrator and an astute businessman. He recommended him highly for any position with the Federal Government.

Lieutenant General Marshall S. Carter, United States Army, retired, Colorado Springs, Colorado, stated he has known Mr. McCone since early 1962 when he was interviewed for the job of Deputy Director of the Central Intelligence Agency. He served in that position under Mr. McCone from March, 1962, until Mr. McCone's resignation in 1965. He considers Mr. McCone to be a man of impeccable character and integrity. He stated Mr. McCone's loyalty to America is unquestioned and he knows of no unfavorable information concerning him, his family or associates. He would unequivocally recommend Mr. McCone for any position of trust based on his past performance.

Robert Bridges, attorney, law firm of Thelan, Marrin, Johnson and Bridges, San Francisco, California, advised that he has been a close personal friend and business associate of Mr. McCone's for about thirty-five years. He stated he was acquainted with the former Mrs. McCone and is acquainted with the present Mrs. McCone. He considers the McCones to be people of the finest reputation and best moral character. He has been involved in various corporate legal matters for Mr. McCone and

John Alex McCone

various corporations with which Mr. McCone has been associated. He stated Mr. McCone enjoys the highest reputation and is a man of unquestioned integrity. He described him as a vigorous individual who enjoys excellent health. He knows of no business activities with which Mr. McCone is associated that would conflict with any Government appointment. He recommended him highly for a position of trust.

Otto Miller, Chairman of the Board of Directors, Standard Oil Company of California, San Francisco, California, advised he has been a close friend of Mr. McCone's for over thirty years and has been engaged in business matters with him for nearly that length of time. He stated he sees Mr. McCone at least once every month since Mr. McCone serves as a member of the Board of Directors of that company. He described Mr. McCone as a person who enjoys vigorous good health and who has a tremendous capacity for work. He advised he could think of no objection to an appointment of Mr. McCone to any position of trust and confidence with the Federal Government. He stated that Mr. McCone's character, morals, and loyalty are above reproach and he would recommend him most highly.

Miss Betty Bothe, Mr. McCone's personal secretary, advised she has been employed in that position since January, 1969. She was formerly secretary to the President of Hendy International Corporation and she knew Mr. McCone well for ten years prior to the time she became his secretary. She expressed the highest regard for his character, integrity, and reputation and for his business and social ethics. She stated Mr. McCone has received numerous awards for his public accomplishments. As a member of the Board of Directors of International Telephone and Telegraph Corporation, he testified before a United States Senate committee in Washington, D. C., investigating the International Telephone and Telegraph Corporation in 1973 and 1974 and was absolved of any wrongdoing. She recommended him without reservation.

Henry M. Jackson, United States Senator from Washington, advised in Washington, D. C., that he has known Mr. McCone on a personal and professional basis for more than ten years. He described Mr. McCone's former service as Director of the Central Intelligence Agency and as Commissioner of the Atomic Energy Commission as being marked by excellence and the

John Alex McCone

highest degree of public service. He stated he has traveled extensively in Mr. McCone's company and views his judgments with regard to political and professional matters as being reasonable and in the best interests of the United States. He has no question concerning Mr. McCone's character, associates, reputation, or loyalty. He recommended him for any position to which President Nixon may care to appoint him.

Warren G. Magnuson, United States Senator from Washington, advised in Washington, D. C., that he has known Mr. McCone on a personal and professional basis for approximately fifteen years. He has no question concerning Mr. McCone's character, associates, reputation, or loyalty. He recommended him for any position to which President Nixon may care to appoint him.

Alan Cranston, United States Senator from California, advised in Washington, D. C., that Mr. McCone is known to him. He stated he knows nothing of a derogatory nature regarding Mr. McCone's character, associates, loyalty, or reputation. He said he would have no objection to Mr. McCone's having a position of trust and confidence with the Government.

Stanley R. Fike, Administrative Assistant to Senator Stuart Symington, United States Senator from Missouri, advised in Washington, D. C., Senator Symington is unavailable for interview. He stated he is authorized to advise that Mr. McCone is well known to Senator Symington. He said Senator Symington first brought Mr. McCone into the Government when he was Secretary of the Air Force, and Mr. McCone served under him as the Assistant Secretary of the Air Force. He said Senator Symington thinks very highly of Mr. McCone and recommended him for a position of trust and confidence.

Thirty-seven additional persons, consisting of social and business associates, were interviewed and commented favorably regarding Mr. McCone's character, loyalty, reputation, and associates. Those well acquainted with Mr. McCone said he is intelligent, conscientious, dedicated, and hardworking. He was described as being vitally interested in national and community affairs and as being an astute businessman. Those acquainted with Mr. McCone's close relatives described them as loyal and reputable individuals.

John Alex McCone

Close Relatives

Mr. McCone's first wife, Rosemary Cooper McCone, died in December, 1961.

Mr. McCone married his present wife, Theiline McCone, the widow of Seattle, Washington, industrialist Paul Pigott, in August, 1962.

In addition to his wife, Mr. McCone has the following close relatives:

Sister	Mrs. J. W. (Margaret) Aicher Pasadena, California
--------	--

Sister	Mrs. Donald C. (Mary Louise) Shelby Los Angeles, California
--------	--

Credit and Arrest Checks

Information has been received from the appropriate credit reporting agencies indicating their files contain either no record or no additional pertinent information concerning Mr. McCone.

Information has been received from the appropriate law enforcement agencies indicating their files contain no information concerning Mr. McCone or his close relatives.

Miscellaneous

A copy of the 1973 testimony of Mr. McCone before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, United States Senate, Washington, D.C., was received from the records of the United States Senate and is appended hereto.

Agency Checks

A review of the records of The White House Office shows that Mr. McCone was appointed by the President on February 1, 1962, to be Director of the Central Intelligence

John Alex McCone

Agency. On April 3, 1964, he was appointed by the President to be a member of the President's Advisory Committee on Supersonic Transport. On July 7, 1966, he was appointed as a member of the National Advisory Committee on Selective Service. On September 30, 1971, and on February 4, 1972, he was nominated by the President to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency.

Information has been received from the following governmental agencies indicating their files contain either no record or no additional pertinent information concerning Mr. McCone:

House Committee on Internal Security;
United States Secret Service; and the
Central Intelligence Agency.

The central files of the FBI, including the files of the Identification Division, contain no additional pertinent information concerning Mr. McCone.

Enclosure

- 1 - Mr. Cleveland
- 1 - Mr. Coleman
- 1 - Mr. Coady

July 18, 1973

BY LIAISON

Miss Jane Dannenhauer
Staff Assistant (Security)
The White House
Washington, D. C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
DU432859

Dear Miss Dannenhauer:

Reference is made to my letter dated July 11, 1973, which furnished you a summary memorandum containing the results of investigation concerning Mr. John Alex McCone.

A review of the records of the Atomic Energy Commission, Germantown, Maryland, shows that Mr. McCone was given a "Q" clearance on February 10, 1961, which clearance continues to be active inasmuch as Mr. McCone is a member of the Central Intelligence Agency Nuclear Intelligence Panel.

Information has been received from the Bureau of Personnel Investigations, Civil Service Commission, Washington, D. C., indicating its files contain no record concerning Mr. McCone.

Information has been received from the Internal Revenue Service indicating a check of its files concerning Mr. McCone has not been completed. When this check has been completed, you will be advised.

Sincerely yours,

Clarence M. Kelley
Clarence M. Kelley
Director

161-1709-116
NOT RECORDED
9 AUG 15 1973

- Assoc. Dir. _____
- Asst. Dir.: _____
- Admin. _____
- Comp. Syst. _____
- Files & Com. _____
- Gen. Inv. _____
- Ident. _____
- Inspection _____
- Intell. _____
- Laboratory _____
- Plan. & Eval. _____
- Spec. Inv. _____
- Training _____
- Legal Coun. _____
- Cong. Serv. _____
- Corr. & Crm. _____
- Research _____
- Press Off. _____
- Telephone Rm. _____
- Director Sec'y _____

JMC:jaj
(5)

DELIVERED BY LIAISON
ON 7/18/73

70 AUG 23 1973

MAIL ROOM ☐ TELETYPE UNIT ☐ RETURN TO MR. COADY, ROOM 7642.

1 - Mr. Cleveland
1 - Mr. Coleman
1 - Mr. Coady

August 2, 1973

BY LIAISON

Miss Jane Dannenhauer
Staff Assistant (Security)
The White House
Washington, D. C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DE
432859

Dear Miss Dannenhauer:

Reference is made to my letters dated July 11, 1973, and July 18, 1973, which furnished you the results of investigation concerning Mr. John Alex McCone.

Enclosed is a copy of an Internal Revenue Service report dated July 30, 1973, concerning Mr. McCone's income tax returns.

This concludes the investigation in this matter.

Sincerely yours,

Clarence M. Kelley
Clarence M. Kelley
Director

Enclosure
ENCLOSURE

DELIVERED BY LIAISON
ON 8/13/73

NOT RECORDED

161-1709-118
90 AUG 15 1973

Assoc. Dir. _____
Asst. Dir.: _____
Admin. _____
Comp. Syst. _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Legal Coun. _____
Cong. Serv. _____
Corr. & Crm. _____
Research _____
Press Off. _____
Telephone Rm. _____
Director Sec'y _____

JMC:jaj
(5)

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MAIL ROOM ☐ TELETYPE UNIT ☐

RETURN TO MR. COADY, ROOM 7642.

ALL INFORMATION CONTAINED ON this envelope
HEREIN IS UNCLASSIFIED
DATE 3-22-02 BY SP4BJA/DFW
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161-1709-119

ENCLOSURE

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DATE 3-22-02 BY SP4 BJA/DFW
432859

THE INTERNATIONAL TELEPHONE AND
TELEGRAPH COMPANY AND CHILE, 1970-71

REPORT

TO THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

BY THE

SUBCOMMITTEE ON MULTINATIONAL
CORPORATIONS



JUNE 21, 1973

Printed for the use of the Committee on Foreign Relations

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1973

ORIGINATED BY THE JIA
CLASSIFIED BY NISSEN
XX
TAG

COMMITTEE ON FOREIGN RELATIONS

J. W. FULBRIGHT, Arkansas, *Chairman*

JOHN SPARKMAN, Alabama

MIKE MANSFIELD, Montana

FRANK CHURCH, Idaho

STUART SYMINGTON, Missouri

CLAIBORNE PELL, Rhode Island

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ROBERT P. GRIFFIN, Michigan

CARL MARCY, *Chief of Staff*

ARTHUR M. KUHL, *Chief Clerk*

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EDMUND S. MUSKIE, Maine

CLIFFORD P. CASE, New Jersey

CHARLES H. PERCY, Illinois

JEROME LEVINSON, *Chief Counsel*

JACK BLUM, *Associate Counsel*

(NOTE.—References to appendices refer to hearings which will be published soon.)

(II)

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THE INTERNATIONAL TELEPHONE AND TELEGRAPH COMPANY AND CHILE, 1970-71

A. INTRODUCTION

On March 21, 1972, syndicated columnist Jack Anderson wrote that the International Telephone and Telegraph Corporation was involved in "a bizarre plot to stop the 1970 election of leftist Chilean President Salvador Allende." Mr. Anderson further alleged that the company was in regular contact with the Central Intelligence Agency and that the Agency participated in the plot. His allegations were based on documents he had obtained from the corporation's files.

Following the publication of the Anderson columns, the Senate Foreign Relations Committee asserted its paramount jurisdiction over "intervention abroad" and voted to investigate the allegations. At the same time, the Committee voted to establish a Subcommittee on Multinational Corporations and directed the Subcommittee to undertake a broad study of multinational corporations and their impact on American foreign policy.

The Subcommittee was asked to make the investigation of the Anderson allegations its first order of business. Further, to insure a fair and balanced investigation, the Subcommittee was asked to postpone hearings until after the 1972 Presidential election.

This, the Subcommittee's first report, covers, and is limited to, its investigation of the Anderson allegations.

In September 1972 the Subcommittee staff began an intensive investigation of the activities of the United States Government and American owned private corporations in connection with the 1970 Chilean Presidential election. The staff interviewed dozens of businessmen, present and former government officials, and present and former ITT employees. In addition, the staff requested and received numerous documents relating to the Chilean situation from ITT and other companies. These were considerably more extensive than the original documents on which the Anderson columns were based. The Subcommittee also requested access to documents from the Department of State, but this was refused. This lack of cooperation by State left an important gap in the record, as will be noted later.

The Subcommittee heard testimony from witnesses during two days of hearings in executive session and seven days of hearings in public sessions. The witnesses included ITT employees, ITT outside directors, Government witnesses, and witnesses representing other companies and financial institutions which had interests in Chile, or which were mentioned in the documents.

B. THE HEARING RECORD

SYNOPSIS OF CHILEAN PRESIDENTIAL ELECTION

In 1970 Chile was in the midst of a presidential election campaign. President Eduardo Frei Montalvo, Christian Democrat, had been

elected president in 1964. After completion of his six-year term in 1970 he was ineligible for re-election. The three major candidates were:

(1) Dr. Salvador Allende Gossens, Socialist, candidate of the Popular Unity coalition of Communists, Socialists, Social Democrats, Radicals and dissident Christian Democrats.

(2) Jorge Alessandri Rodriguez, Independent, candidate of the right-wing National Party, a fusion of the Conservative and Liberal parties.

(3) Radomiro Tomic Romero, candidate of the ruling Christian Democrat Party.

The Popular Unity candidate, Dr. Allende, a long-time Senator and founder of the Socialist Party, making his fourth try for the presidency, campaigned for a program of extensive land reform and the rapid nationalization of basic industries, banks, and communications systems, many of which were controlled by foreign capital.

The Christian Democrat, Mr. Tomic, a former Ambassador to the United States, campaigned for a continuation of Frei's program of gradual "Chileanization" of key sectors of the economy—a sort of middle way between capitalism and full socialism.

Conservative former President Alessandri, was the only candidate to give wholehearted support to the private free enterprise system.

The results of the September 4 popular election were:

	Votes	Percen
Allende.....	1,075,615	36.3
Alessandri.....	1,036,278	35.3
Tomic.....	824,849	28.4

Although Dr. Allende won with a margin of 39,000 votes, no candidate had an absolute majority. In such a case, the Chilean constitution required that a joint session of Congress choose between the first and second place finishers. The Congressional election was held October 24, 1970. Salvador Allende Gossens received 153 of the 195 votes. He was sworn in one week later.

The analysis of the hearing record is in three parts: Part I, the period before September 4, 1970, the date of the Chilean popular election for president; Part II, the period between September 4 and the Congressional election of October 24, 1970; and Part III, the post-October 24 period, after Salvador Allende Gossens had been elected President of Chile.

PART I. THE PERIOD PRECEDING THE POPULAR ELECTION OF SEPTEMBER 4, 1970

McCone and Helms—May/June 1970

The Chilean political situation was discussed at an ITT Board meeting in the spring of 1970 (Rohatyn testimony) and at the June 1970 board meeting the opinion was expressed that Dr. Salvador Allende Gossens, the Marxist candidate, would win the popular election. (McCone testimony.)

On his own initiative, Mr. John McCone, a former Director of the Central Intelligence Agency, at the time a consultant to the Agency and a Director of ITT, held a number of conversations about Chile

with Richard Helms, then CIA Director. At least two conversations took place in Langley, Virginia, and one at Mr. McCone's home in San Marino, California. (McCone testimony.) During these conversations, Mr. McCone told Helms that ITT expected Dr. Allende to win the election. He pointed out that Allende was campaigning on a platform calling for the expropriation of American business, including ITT's properties, and expressed the opinion that the American national interest, as well as business interests were involved, "because there were, as you know, several hundred million dollars of OPIC guarantees, of which approximately 100 million dollars were ITT's." (McCone testimony.)

Mr. McCone asked Mr. Helms whether the United States intended to intervene in the election to encourage the support of "one of the candidates who stood for the principles that are basic in this country." (McCone testimony.) Mr. McCone indicated that the two candidates he had in mind were Mr. Radomiro Tomic Romero, the candidate of the Christian Democratic Party and Mr. Jorge Alessandri Rodriguez, an independent and the candidate of the conservative National Party. (McCone testimony.) Incumbent Christian Democratic President Eduardo Frei Montalvo was prevented by law from succeeding himself.

Mr. Helms told Mr. McCone that the matter had been considered by the "Forty Committee," the Executive Branch interdepartmental committee; at that time chaired by Dr. Henry Kissinger, which approves CIA covert actions, and that a decision had been made that nothing of consequence should be done. (McCone testimony.) Helms indicated that some minimal effort would be mounted which "could be managed within the flexibility of their own budget" that is, without seeking additional appropriated funds. (McCone testimony.) Mr. Helms was very pessimistic about the chances of Mr. Alessandri and was of the personal opinion that Dr. Allende would win. This opinion was contrary to the official reports of the U.S. Embassy. Based upon polls commissioned or undertaken by the CIA, the Embassy was reporting that Alessandri would win a plurality with approximately 40 percent of the vote. (Korry testimony.)

McCone said that he informed Mr. Geneen of the decision by the Agency not to intervene beyond the "normal budget flexibility" in the Chilean election and that Mr. Geneen was disappointed by the news. (McCone testimony.)

Geneen and Broe—July 16, 1970

During one of the conversations, Mr. McCone suggested to Mr. Helms that someone on Helms staff contact Mr. Geneen, and this suggestion led directly to a meeting between Mr. Geneen and Mr. Broe, the Chief of the CIA's Clandestine Services (also known as the Directorate of Plans), Western Hemisphere Division, on July 16, 1970, in the Sheraton-Carlton Hotel, Washington, D.C. In response to Mr. McCone's request, Mr. Helms told Mr. Broe that Mr. Geneen, ITT's Chief Executive Officer, would be in Washington on July 16, 1970, and that he should get in touch with Geneen to arrange a meeting. (Broe testimony.) Thus it was McCone, through his suggestion to Helms, who set in motion a series of contacts between the ITT and CIA in connection with Chile.

Mr. Broe was contacted by William Merriam, head of ITT's Washington office, who told him that Mr. Geneen wanted to meet late in the evening. Mr. Broe waited for Mr. Geneen in the lobby of the hotel. Mr. Merriam arrived, introduced himself and then took Mr. Broe up to Mr. Geneen's suite to wait for him. Mr. Merriam left the suite before the conversation began. (Broe testimony.) Mr. Geneen asked Mr. Broe for information on the electoral situation, the status and potential of the candidates and their parties. (Broe testimony.) Then Mr. Geneen offered to assemble an election fund for Jorge Alessandri Rodriguez, one of the Chilean candidates. Mr. Geneen said the fund would be "substantial" and that he wanted the fund controlled and channeled through the CIA. (Broe testimony.) Mr. Broe refused the offer and told Mr. Geneen that the CIA was not supporting any candidate in the Chilean election. The meeting lasted about an hour.

Mr. Geneen accepted Broe's account of the meeting as accurate, although he said he could not remember making the offer of a campaign fund. (Geneen testimony.) He testified that he made a similar offer to the CIA in 1964 and the offer was rejected by the Agency. (Geneen testimony.) Following the meeting, Mr. Geneen told Mr. Broe to contact ITT Vice President Ned Gerrity if Geneen was out of town.

Mr. Broe called Mr. Geneen on July 27th to tell him there was no change in the Chilean situation. The conversation was very brief and dealt with the progress of the candidates.

PART II. THE PERIOD BETWEEN SEPTEMBER 4 AND THE CONGRESSIONAL ELECTION OF OCTOBER 24, 1970

The Alessandri Formula

On September 4, 1970, Salvador Allende Gossens won a narrow plurality of the vote. On September 9, Mr. Alessandri announced that if elected by the Congress, he would immediately resign. This maneuver would open the way for President Frei to run again. In a two-way contest between President Frei and Dr. Allende, many believed Frei would win. This plan became known as the "Alessandri formula."

The Million Dollar Offer

On September 9, 1970, the ITT Board of Directors met for its monthly meeting in New York City. Mr. Geneen expressed his concern to John McCone over the political situation in Chile. In Mr. McCone's words: "What he told me at that time was that he was prepared to put up as much as a million dollars in support of any plan that was adopted by the government for the purpose of bringing about a coalition of the opposition to Allende so that when confirmation was up, which was some months later, this coalition would be united and deprive Allende of his position." (McCone testimony.) Mr. Geneen asked Mr. McCone to support his proposal. Mr. McCone agreed and came to Washington several days later and met with Henry Kissinger, Assistant to the President for National Security Affairs, and Richard Helms. He communicated to both Kissinger and Helms Mr. Geneen's offer of a \$1,000,000 fund for the purpose of assisting any government plan designed to form a coalition in the Chilean Congress to stop Allende. Dr. Kissinger, according to Mr. McCone, thanked him and said he

would hear from him. Mr. McCone did not receive a call back from Dr. Kissinger and therefore assumed no government plan had been developed. (McCone testimony.)

On September 11, 1970, at roughly the same time Mr. McCone was meeting with Dr. Kissinger and Mr. Helms, Jack Neal, the International Relations Director in the ITT Washington office, telephoned Viron P. Vaky, Dr. Kissinger's assistant for Latin American Affairs. He informed him that Mr. Geneen was willing to come to Washington to discuss his interest and that the company was willing to contribute a sum of money in seven figures. He also advised Mr. Vaky that the company was aware of Ambassador Korry's position with respect to the Alessandri formula and that he, Neal, hoped that the White House would remain neutral in the event other attempts were made to "save the situation in Chile." Mr. Neal claimed that on the following day, September 12, he delivered the same message to Assistant Secretary of State Charles Meyer. (Neal testimony.) Meyer however testified that, although he had spoken with Mr. Neal on that date he could not recall the offer of a sum of money. (Meyer testimony.)

There is little doubt that the ITT fund of "up to seven figures" was offered in support of any U.S. government plan to form a coalition in the Chilean Congress capable of stopping the election of Salvador Allende. Mr. Geneen testified that even if the plan did not block Allende's election, he hoped it would create a situation in which Allende would go slowly on the nationalization of American property in Chile. (Geneen testimony.)

During the hearings Ned Gerrity, ITT's Vice President in charge of corporate relations told the committee that the fund was offered for a constructive purpose such as housing and was designed to be a display of good will by ITT towards the Allende government. (Gerrity testimony.) But this contention strains credulity. Neal denied any knowledge of the use to which the money was to be put. (Neal testimony.) Gerrity admitted that he had never communicated any constructive purposes for use of the funds to Merriam, who gave Neal his instructions. (Gerrity testimony.) Nor could Gerrity recall whether he had ever explicitly discussed such proposals with Geneen. (Gerrity testimony.) Vaky testified that he understood the offer of funds by Neal to be in the context of blocking Allende from becoming president. (Vaky testimony.) And, in all of the documents submitted, there is no evidence of a constructive purpose for the \$1 million fund.

Finally, since the end of World War II, the U.S. provided in excess of \$1.4 billion in foreign aid funds to Chile. The idea that \$1 million for housing, technical assistance, or agriculture could have an influence on Allende, a dedicated Marxist for the past 30 years, is not credible. As Senator Case stated: "The whole body of evidence, memoranda, internal communications in the company, communications among all of you shows great disillusionment on the part of ITT with a program of aid to Chile, . . . this adds to the difficulty of believing that a relatively small amount of additional aid would be of any value." (Gerrity testimony.)

In short, Gerrity's assertion that the company intended a constructive use of the \$1 million fund has all of the earmarks of an after-

thought. As Senator Percy put it: "The implausibility of this story is what bothers us. It just does not hang together. It does not make any kind of sense for reasonable, rational men . . . to really feel that this assistance could have an impact." (Gerrity testimony.)

Hendrix and Berrellez in Santiago

In addition to regular reports from the line officers of ITT subsidiaries, ITT receives reports from its Corporate Relations Department which go directly to company headquarters in New York. Two ex-newspaper men, Hal Hendrix and Robert Berrellez, were responsible for reporting for ITT's Corporate Relations Department on Chilean political developments. Mr. Hendrix, who was based in New York made frequent trips around Latin America, as did Mr. Berrellez who was based in Buenos Aires. The reports filed by Messrs. Hendrix and Berrellez were among the most suggestive documents received by the Subcommittee and the background of their reports was the subject of intensive investigation.

In August 1970, Mr. Hendrix was instructed by Mr. Gerrity to make a commitment to increase the advertising of the ITT-controlled Chilean telephone company (Chiltelco) in conservative Chilean newspapers by 50%. Mr. Hendrix explained that he made the recommendation because the newspapers were losing advertisers who thought Dr. Allende would win. The advertising program was designed to bolster the newspapers to "keep their editorial voices alive." Mr. Gerrity testified that he later learned the commitment had never been honored. It was vetoed by Benjamin Holmes, Chiltelco's local manager, as being too obviously political.

The Company instructed Mr. Berrellez to make reporting on the election his number one priority. On the night of the popular election, he filed cables to New York every few hours as the votes were tabulated. On September 7, Mr. Berrellez filed his first post-election report which was based largely on an interview with Arturo Matte, Mr. Alessandri's brother-in-law and closest political adviser. Berrellez summed up the situation as follows:

(a) any attempt to implement the Alessandri formula would lead to a bloodbath; (b) prospects for successful implementation of the Alessandri formula were at best problematical; (c) "reliablest" sources in Santiago caution to proceed slowly, not to panic; (d) it would be possible to negotiate directly with Allende with respect to the company's properties; and (e) "strong outside political and economic pressures resulting in unemployment and unrest internally will certainly strengthen the hand of the left wing extremists and will convert Allende into merely a puppet of a machine dedicated to violent anti-U.S. revolution on a hemisphere scale." (Appendix II.)

During the week of September 14th, following the Washington activities of Mr. McCone and Mr. Neal, Mr. Hendrix joined Mr. Berrellez in Santiago. On September 17th, they cabled a joint report to ITT in the United States which carefully explored the chances of blocking Dr. Allende's election by the Chilean Congress. The report also contained specific recommendations for supporting Chileans working to block Dr. Allende's election.

One paragraph written by Mr. Hendrix said, "Late Tuesday night (September 15), Ambassador Edward Korry finally received a mes-

sage from State Department giving him the green light to move in the name of President Nixon." The message gave him maximum authority to do all possible—short of a Dominican Republic type action—to keep Allende from taking power." (Appendix II.)

According to Mr. Hendrix, the source of the information was a Chilean national, described as an intimate political associate of Frei. (Hendrix testimony.) Mr. Hendrix said his informant told him that a very hard message—"muy duro"—had been received at the U.S. Embassy from a very high—"muy alto"—source. (Hendrix testimony.) The discussion took place at a coffee bar next to the presidential palace.

The Chilean source, according to Hendrix, never specifically named President Nixon or made reference to the Dominican Republic. These references, he said, were his own embellishment of what he had been told. Hendrix denied that the information on which the paragraph was based came from sources within the United States Embassy or the Central Intelligence Agency. (Hendrix testimony.)

Both Broe and Merriam testified that Mr. Merriam gave a copy of the cable to Mr. Broe and that Mr. Broe said that the report was accurate and the recommendations it contained were good.

These recommendations were the following (Appendix II):

1. We and other U.S. firms in Chile pump some advertising into *Mercurio*. (This has been started.)
2. We help with getting some propagandists working again on radio and television . . .
3. Assist in support of a "family relocation" center in Mendoza or Baires [Buenos Aires] for wives and children of key persons involved in the fight. This will involve about 50 families for a period of a month to six weeks, maybe two months.
4. Bring what pressure we can on USIS in Washington to instruct the Santiago USIS to start moving the *Mercurio* editorials around Latin America and into Europe. Up until I left they were under orders not to move anything out of Chile.
5. Urge the key European press, through our contacts there, to get the story of what disaster could fall on Chile if Allende & Co. win this country.

These are immediate suggestions and there will be others between now and October 24 as pressure mounts on Frei and the Christian Democrats.

When Ambassador Korry was questioned about the "green light message" he refused to tell the Subcommittee what his instructions from Washington were. Assistant Secretary of State Meyer also refused to say what the Ambassador's instructions were and the Department refused to furnish copies of the cables it sent to Santiago. In the face of the refusal of the State Department to cooperate, it is impossible for the Subcommittee to determine definitely whether the Ambassador in fact received a cable substantially along the lines described by Hendrix. The reluctance of the State Department to assist the Subcommittee is indicated by the correspondence published as an appendix to the hearing volumes.

The latter part of the message was drafted by Mr. Berrellez and was based upon a further interview with Mr. Matte. In summing up this conversation, Mr. Berrellez noted that Mr. Matte told him "the leader we thought was missing is right there in the saddle (Frei) but he won't move unless he is provided with a constitutional threat; the threat must be provided one way or another through provocation; Matte did not mention money or other needs but at the end when it was mentioned we were, as always, ready to contribute with what was necessary, he said 'we would be advised.'"

Mr. Berrellez in his testimony attempted to explain this pledge of support as merely a polite leavetaking observation, general in nature, with no implication of political support, financial or otherwise. This explanation is belied by the context in which it was made. Mr. Berrellez had just finished a detailed discussion of the prospects of defeating Allende through the Alessandri formula, or by creating sufficient provocation, economic or otherwise, to bring about a constitutional crisis which would lead the Army to intervene and prevent Allende from being elected president. (Appendix II.)

The cable is action oriented, specific in content and openly anti-Allende. Placed in context, it would be incongruous to construe Berrellez' offer of assistance as a stylized way of saying goodbye. The Subcommittee believes it was clearly an offer to back the anti-Allende effort then underway in Chile with financial or other resources. It was a logical complement to the offer that McCone and Neal made in Washington of a \$1 million fund in support of any U.S. Government plan designed to form a coalition in the Chilean Congress to defeat Dr. Allende.

Messrs. Berrellez and Hendrix continued to file reports on the developing Chilean political situation which reflected the ardent desire to see Dr. Allende defeated. (Appendix II.)

Contacts Between the ITT Washington Office and the CIA

A copy of the September 17th cable from Messrs. Hendrix and Berrellez was sent to William Merriam, head of the ITT Washington office. The cable was discussed at a staff meeting and became the basis for staff action. Mr. Merriam called Mr. Broe and arranged to meet him for lunch at the Metropolitan Club in Washington on September 22nd. Before the luncheon, Mr. Merriam sent Broe a copy of the September 17 cable. At lunch Mr. Merriam asked Mr. Broe for his judgment of the assessment and the workability of the recommendations. Broe confirmed the validity of the political analysis and approved the recommendations.

Acting on one of the recommendations in the cable, Bernard Goodrich, an ITT public relations man, visited the office of the United States Information Agency in Washington. Mr. Goodrich testified that he told the agency ITT was supporting *El Mercurio* with increased advertising and urged them to circulate *El Mercurio* editorials more widely in Latin America. He asked them whether there was any-

thing ITT as a private company could do that the U.S. Government could not do. When USIA officials said the company should not do anything overt which might be interpreted as intervention, Goodrich, "assured them that our people were well experienced in that field." (Appendix II.)

Broe and Gerrity—September 29, 1970—and U.S. Government Policy

Prior to September 4, 1970, the policy of the U.S. Government, according to Assistant Secretary of State Meyer, was to not interfere in the Chilean electoral process. Mr. McCone testified that Mr. Helms had informed him that although the matter of the Chilean election had been discussed in June of 1970 at the "Forty Committee", the inter-departmental group which controls the covert operations of the CIA, nothing of consequence would be done to influence the outcome of the September 4 election.

In the aftermath of Allende's victory, however, this policy of allowing events to take their course in Chile without substantial U.S. intervention was the subject of high level review within the U.S. Government. Meyer, testified that shortly after the September 4 election, the Forty Committee, at a meeting which he attended, met for the express purpose of discussing U.S. policy in connection with Chile; but he refused to inform the Committee what precisely was said at the meeting, what decisions, if any, were taken and what instructions were communicated to Mr. Korry, the U.S. Ambassador in Chile.

Mr. Korry did testify however that immediately after Allende won a plurality in the popular election of September 4, 1970, he sent a ten-point cable to the State Department indicating that an Allende presidency would not be in the best interests of the U.S. (Korry testimony.) Dr. Kissinger stated in an off-the-record briefing to a group of Mid-western newspaper editors in Chicago on September 16, 1970 that an Allende presidency would cause substantial problems for the United States as well as for Latin American countries bordering on Chile. (Korry testimony.) It is, accordingly, clear that both the U.S. Embassy in Santiago and high levels of the U.S. Government in Washington viewed with hostility the prospect of an Allende Government. It is within this context that Broe's visit to Mr. Gerrity of September 29, 1970 must be viewed.

On September 29th, for the first time in the course of the contacts between ITT and the United States Government, the Government took the initiative. Mr. Broe, at the instruction of CIA Director Richard Helms, called Mr. Gerrity in New York and arranged to meet him there on September 29th.

Messrs. Broe and Gerrity agreed substantially about what was said when they met. Mr. Broe proposed a plan to accelerate economic chaos in Chile as a means of putting pressure on Christian Democratic Congressmen to vote against Dr. Allende or in any event to weaken Dr. Allende's position in case he was elected. (Broe and Gerrity testimony.) As Gerrity summed it up, Broe made suggestions based

on recommendations from "our representative on the scene" and analysis in Washington. The specific suggestions as recorded by Gerrity were the following:

1. Banks should not renew credits or should delay in doing so.

2. Companies should drag their feet in sending money, in making deliveries, in shipping spare parts, etc.

3. Savings and loan companies there are in trouble. If pressure were applied they would have to shut their doors, thereby creating stronger pressure.

4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.

5. A list of companies was provided and "it was suggested that we approach them as indicated. I was told that of all of the companies involved ours alone had been responsive and understood the problem. The visitor added that money was not a problem." (Appendix II.)

Broe testified that the plan to create economic chaos was a "thesis" which had been developed after analysis of the points of vulnerability of the Chilean society. Following Allende's victory in the popular election, many middle class Chileans were uneasy about the future of the economy and began to withdraw their money from banks. Also, many Chileans attempted to convert their Chilean currency to foreign currencies and to get it out of the country.

The CIA's thinking was that if additional pressure were placed on the Chilean economy, the deterioration would be accelerated and Christian Democratic Congressmen who were planning to vote for Allende would be shocked into changing their minds and following the Alessandri formula.

Mr. Gerrity told Mr. Geneen that he didn't think the plan would work. Mr. Geneen then consulted McCone who also told Geneen that the plan would not work. Mr. Geneen decided not to implement it.

Mr. Meyer attempted to explain Mr. Broe's proposal to Mr. Gerrity as merely the exploration of a possible policy option. Mr. Meyer was unwilling to inform the Subcommittee of the substance of the Forty Committee meeting. The Subcommittee is, accordingly, unable to say whether Mr. Helms' instruction to Mr. Broe to contact Mr. Gerrity and make proposals to Mr. Gerrity for creating economic dislocation in Chile were a direct outcome of the Forty Committee meeting which took place shortly after Allende won a plurality in the September 4 election. It is clear, however, that Mr. Broe's proposal of concrete measures designed to create economic difficulties in Chile for the purpose of influencing Christian Democrat Congressmen to vote against Allende in the Congressional election of October 24 was in striking contrast to the pre-September 4 U.S. Government policy of allowing events in Chile to follow their natural course without substantial interference from the U.S. Government.

The contacts between ITT and the CIA continued after Mr. Broe's meeting with Mr. Gerrity. On October 6th, Mr. Broe talked to the deputy head of ITT's Washington Office, John Ryan, about the pros-

pects of stopping Dr. Allende. Mr. Ryan testified that his memorandum of the conversation was accurate, that Mr. Broe had urged ITT to keep the pressure on, and had suggested a run on the banks. (Ryan testimony.)

Mr. Merriam met Mr. Broe for lunch on several occasions after that and when cables arrived from Santiago he called Broe and arranged to have a CIA messenger pick up copies. In exchange, Mr. Broe kept Mr. Merriam informed about the CIA assessment of the situation. Mr. Merriam passed the information along to his superiors, and at Gerrity's specific request, to Mr. McCone.

The company's thinking is reflected in Mr. Merriam's October 23 letter to Dr. Kissinger. (Merriam testimony.) The letter, and the accompanying attachment, were the outgrowth of an October 16 conversation between Mr. Neal and Ambassador Korry. The Ambassador, Mr. Neal testified, advised him to get ITT's policy suggestions about Chile to Dr. Kissinger before October 24th.

The letter and memorandum proposed that the U.S. Government take a number of measures against the Allende government. For example, it suggested that, "without informing President Allende, all U.S. aid funds already committed to Chile should be placed in the 'under review' status in order that entry of money into Chile is temporarily stopped with a view to a permanent cut off if necessary. This includes 'funds in the pipe line'—'letters of credit' or any such." (Merriam testimony.)

Mr. Merriam's letter and the attachment were distributed to Mr. Gerrity. (Merriam testimony.) The only apparent dissent in the company came from Richard Dillenbeck of the ITT Legal Department who warned that the actions proposed by the company might jeopardize the investment guarantee which covered the company's properties in Chile. (Merriam testimony.)

The letter was acknowledged by Dr. Kissinger, but, although Mr. Merriam thought the acknowledgment was more than perfunctory, there apparently was no follow-up action or conversation with Kissinger or anyone on his staff. (Merriam testimony.)

The Banks—A Diverse Reaction

Because of the references in the ITT documents to "banks in New York and California" and because the CIA suggestion to ITT was that they work to create economic chaos in Chile by causing a run on financial institutions, the Subcommittee invited testimony from the Chase Manhattan Bank, Manufacturer's Hanover Trust Company, First National City Bank, and the Bank of America. In addition, the Subcommittee staff interviewed officials of Morgan Guaranty Trust Company and Marine Midland National Bank.

All of the bank officials who testified or who were interviewed said they had not been approached by the Central Intelligence Agency, ITT, Chilean nationals or anyone else to cut back on their lending or to create economic chaos in an effort to block President Allende's election. The Subcommittee could find no evidence of involvement by American financial institutions in a plan to block President Allende's election by the Congress or in a concerted effort to weaken him by creating "financial chaos."

Two of the banks, Chase Manhattan and Morgan Guaranty, cut their lines of credit because they thought Chile's economic prospects were poor. Two banks, Manufacturer's and Marine Midland, increased their outstanding loans in the period between the two elections. The Bank of America and First National City Bank carried on at existing loan levels. Thus, the financial community reaction to the Allende victory in the popular election was diverse.

Two of the large banks reported that they were approached by Chilean nationals with requests for campaign contributions to support the Alessandri candidacy and both reported turning the request down as a matter of long standing policy.

Several of the bank witnesses said that, from their perspective, creating economic chaos would have been counterproductive. The banks had large amounts outstanding in loans to the Chilean Government, as well as to Chilean businessmen. Economic chaos might have meant that the loans could not have been repaid.

A number of bank witnesses said that in order to operate in a large number of countries around the world they have adopted strict policies of non-involvement in the political affairs of the countries where they do business. The bankers said they are located in countries with widely differing forms of government and widely differing political and economic systems. Involvement in host country politics would inevitably mean impairment of their ability to function.

The bank witnesses were unanimous in the view that the policy of non-involvement in host country politics is, in the long run, the best for business.

PART III. ALLENDE IN POWER

On October 18, Alessandri withdrew from the Congressional run-off and, in the October 24 Congressional election Salvador Allende received 153 of the 195 votes cast. He was sworn in as President of Chile on November 4, 1970.

The Ad Hoc Committee on Chile

In early 1971, I.T.T. began to follow a two-track strategy with respect to the Allende government. On the one hand, at the suggestion of Ralph Mecham, the Washington representative of the Anaconda Company, Mr. Merriam invited the Washington representatives of major U.S. companies having investments in Chile to form an Ad Hoc Committee on Chile. (Merriam testimony.) There were several meetings, the first of which took place in early January, 1971, in ITT's Washington offices. Representatives of Anaconda, Kennecott, Ralston Purina, Bank of America, Pfizer Chemical, and Grace and Company attended. (Merriam testimony.)

The purpose was described in a memorandum by Mr. Ronald Radatz, the Bank of America representative: "the thrust of the meeting was toward the application of pressure on the (U.S.) Government, wherever possible, to make it clear that a Chilean take-over would not be tolerated without serious repercussions following." "ITT," said the memo, "believes the place to apply pressure is through the office of Henry Kissinger." "That is what we have been doing for the last year or so," said Mr. Merriam. One purpose of the pressure, Mr. Merriam confirmed, was to get the U.S. Government to block loans to Chile

by institutions such as the World Bank and the Inter-American Development Bank. (Merriam testimony.) President Allende had not, at the time of the meeting, taken expropriatory action against any American concern.

Nevertheless, as explained by Merriam, the purpose of denying Chile credits in January 1971 was to produce economic problems for Chile. By confronting him with economic collapse, said Mr. Merriam, Dr. Allende could be made more willing to negotiate with ITT on terms satisfactory to the company. (Merriam testimony.)

The Anaconda Corporation may have shared this hard line approach toward Dr. Allende. Mr. Mecham, in reporting on the formation of the Ad Hoc group to Jay Parkinson, Chairman of the Board of Anaconda, noted that the purpose of the group was to "keep the pressure on Kissinger." (Mecham testimony.) The Ad Hoc Committee, Mecham testified, never considered the possibility that the application of such external economic pressure on Chile could, as Mr. Berrellez had warned in his cable of September 7, 1970, backfire and lead President Allende into a more aggressively anti-American posture. (Mecham testimony.)

William Foster, then the Washington representative of Ralston Purina Company, reported to his office in St. Louis on the first meeting of the Ad Hoc group and was directed not to attend any further meetings. (Foster testimony.) Ralston Purina was actively negotiating with the Chilean Government, saw a reasonable prospect of a satisfactory settlement and decided that participation in the Ad Hoc group would jeopardize the negotiations. Similarly, the Bank of America participated in two meetings to gather information but did not endorse an activist program because of its belief that a "hard line" position would compromise the banks' ability to negotiate. (Raddatz testimony.)

The Company's Stake and Negotiations

While Merriam was organizing the Ad Hoc Committee ITT was developing a strategy for negotiating with Allende. ITT's primary investment in Chile was a 70% interest in the Chilean telephone company (Chilteleco). The estimated book value of this ITT investment was placed at approximately \$153 million. The remaining 30% of Chilteleco was held by the Chilean Development Corporation (Corfo) and individual Chilean private investors. \$92.5 million of ITT's \$153 million interest in Chilteleco was covered by investment guaranty agreements administered by the Overseas Private Investment Corporation (OPIC) which provided insurance, among other things, against expropriation.

Allende first mentioned the possibility of nationalizing Chilteleco in a campaign speech of September 2, 1970. The eventual Chilean ownership of Chilteleco was fully anticipated by ITT executives. In addition to the Chilteleco property, ITT had other lesser holdings in Chile, including two hotels, a telephone directory book service and an international cable company. The estimated book value of ITT's investments in Chile, including Chilteleco, amounted to approximately \$160 million.

On October 20, 1970, Allende invited Benjamin Holmes, the Chilteleco local manager, to meet with him. At that meeting, Allende indicated that he had not definitely decided upon a course of action

with respect to Chiltelco. (Appendix II.) Hence, there was reason to believe that negotiations were possible with Allende.

ITT had successfully negotiated the sale of telephone properties to the Peruvian Government by persuading that Government that a satisfactory agreement with ITT would demonstrate that it was not inherently hostile to foreign investments. ITT persuaded the Peruvian Government that it could then argue that its decision to expropriate, without compensation, the property of the International Petroleum Company (IPC), a wholly owned subsidiary of the Exxon Corporation, was a special case and not an indication of general financial irresponsibility.

Mr. Guilfoyle summed up the strategy in a July 9, 1971 note to the ITT Board:

When Allende signs the copper legislation and formally expropriates Anaconda and Kennecott, there must be increased international resentment against the Government of Chile, and, as in the case of Peru, on their expropriation of IPC, we were able to capitalize on this and eventually arrive at a deal which allowed them to announce internationally that copper and IPC were special cases and here is an arrangement we made in a reasonable negotiation with ITT. (Appendix II.)

Through Mr. Holmes, a meeting was arranged with Dr. Allende on March 10, 1971 in Santiago, Chile, which was attended by, among others, Messrs. Guilfoyle and Francis Dunleavy of the New York Headquarters. ITT's memorandum about the meeting, prepared by Mr. Hendrix, described it as cordial. President Allende informed ITT that he had not decided whether the Government would nationalize Chiltelco or propose a joint venture with ITT. (Guilfoyle testimony.) Dunleavy told Allende that ITT was prepared to negotiate in good faith but that the day he "grabbed" the telephone company ITT would go to OPIC and invoke its investment guarantee agreement. (Guilfoyle testimony.)

On May 26, President Allende informed Mr. Guilfoyle that Chiltelco would be nationalized and that a commission to be headed by the Minister of the Interior would negotiate the terms of compensation. ITT responded that the terms of the contract required Chile to pay ITT the full book value of its interest in Chiltelco; i.e., \$153 million. The Chileans offered \$24 million for ITT's interest in Chiltelco. They also proposed valuation by international arbitration, but they insisted as well that the Government take over the management of the company pending the arbitration. Guilfoyle, however, opposed government management of the company while the arbitration was under way because he feared that the value of the property would deteriorate under Chilean Government management. This first phase of negotiations thus ended in impasse.

The October 1, 1971 Letter to Peterson

On September 29, the Chilean Government took over the management of Chiltelco, confiscating the books of the company. The government alleged that Chiltelco was deliberately allowing service to deteriorate. ITT denied the allegations.

A number of Chiltelco executives, all Chilean nationals, were arrested. The arrests were in connection with the activities of another ITT subsidiary which published telephone books.

Shortly after the intervention in Chiltelco by the Chilean Government, Mr. Merriam wrote to John Ehrlichman on the White House staff and requested a meeting for Mr. Geneen with Henry Kissinger and Peter Peterson, Assistant to the President for International Economic Affairs. A luncheon meeting was scheduled.

Because of the demands on Dr. Kissinger's time, General Haig, his deputy, joined Mr. Peterson at lunch with Mr. Geneen. Mr. Peterson testified that the luncheon meeting was brief and the discussion was a rather straightforward exposition of what had happened to the company in Chile. Mr. Peterson could not recall whether Mr. Geneen made specific suggestions but did remember Mr. Geneen saying he would send some ideas along.

Following the meeting, Mr. Geneen instructed Mr. Merriam to put ITT's suggestions in writing and forward them to Mr. Peterson. In response to the request, Merriam sent a letter to Peterson dated October 1, 1971, which had attached an 18-point action plan. Among other things the plan proposed the following specific measures to see to it that Allende would not "make it through the next six months": (Appendix III.)

Continue loan restrictions in the international banks such as those the Export-Import Bank has already exhibited.

Quietly have large U.S. private banks do the same.

Confer with foreign banking sources with the same thing in mind.

Delay buying from Chile over the next six months. Use U.S. copper stockpile instead of buying from Chile.

Bring about a scarcity of U.S. dollars in Chile.

Discuss with CIA how it can assist the six-month squeeze.

Get to reliable sources within the Chilean Military. Delay fuel delivery to Navy and gasoline to Air Force. (This would have to be carefully handled, otherwise would be dangerous. However, a false delay could build up their planned discontent against Allende, thus, bring about necessity of his removal.)

Help disrupt Allende's UNCTAD plans.

It is noted that Chile's annual exports to the U.S. are valued at \$154 million (U.S. dollars). As many U.S. markets as possible should be closed to Chile. Likewise, any U.S. exports of special importance to Allende should be delayed or stopped.

Thus, one year after Broe proposed a plan to accelerate economic chaos in Chile, Merriam on behalf of the company, was proposing to the President's Assistant for International Economic Policy a similar plan to exacerbate the Chilean economic situation. (Merriam testimony.) Peterson testified that he took no action to implement the Merriam plan. (Peterson testimony.)

In accordance with the company's usual distribution procedures, the Merriam letter and 18-point plan were distributed within the company. Neither Geneen nor Gerrity evidenced any disagreement with this plan to create economic chaos in Chile so as to prevent Allende from getting through the next six months.

Publication of the Anderson Columns and the Break-Off of Negotiations

In December 1971 negotiations were resumed between the company and the Allende Government. Allende agreed to move the locus of the negotiations from Santiago to Washington where they were to be conducted on behalf of the Chilean Government by Chile's Ambassador to the United States, Orlando Letelier. Letelier and Guilfoyle were

in active negotiations, according to Guilfoyle, pursuing the possibility of international appraisal of the company's assets, as a basis for determining compensation up until March 20, when Jack Anderson, syndicated columnist, published his first column dealing with ITT's activities in connection with Chile in the fall of 1970. Guilfoyle had been scheduled to meet with Letelier a few days after the publication of the Anderson column but that meeting was cancelled and the negotiations were broken off, following the public action of the Anderson columns. (Guilfoyle testimony; Geneen testimony.)

The Board of Directors of ITT

Felix Rohatyn testified that the Executive Committee of the Board of Directors, which is composed of the outside Directors including Rohatyn, was informed in April 1972, of McCone's and Geneen's 1970 offer of funds to the CIA, but had no knowledge of these fund offers at the time they were made. (Rohatyn testimony.) The Board's concern was whether the assets of ITT were likely to be depleted as a result of the actions of the management and McCone in connection with Chile. Opinion of outside counsel was obtained that the OPIC guarantees had not been jeopardized. No other investigation was undertaken as to the propriety of management's action. (Rohatyn testimony.)

C. CONCLUSIONS

In summary:

- On July 16, 1970, Geneen offered a substantial fund to the CIA to be used to support the conservative candidate Alessandri in the Chilean election of September 4, 1970. This offer was turned down, just as the CIA had rejected an offer of assistance made by ITT in connection with the 1964 Chilean election.
- In early September, 1970, McCone supported Geneen's offer of a \$1 million fund in support of any U.S. Government plan designed to form a coalition in the Chilean Congress to prevent Allende from becoming president, and, at Geneen's request, communicated this offer to Kissinger and Helms.
- On September 13, 1970, Berrellez offered support, financial or otherwise, in Santiago to the key advisor of one of the principal political figures in Chile.
- On September 23, 1970, Goodrich urged the USIA to circulate throughout Latin America the editorials of an anti-Allende Chilean newspaper.
- Throughout September and October, 1970, Merriam provided Broe with, and received in return, detailed political intelligence in connection with Chile.
- Geneen, Gerrity and McCone, considering a plan proposed to them by the CIA on September 29, 1970, to create economic chaos in Chile but rejected it because they thought it "unworkable".
- In January, 1971, before there had been expropriation of the company's property, Merriam encouraged other American companies to form an Ad-Hoc Committee on Chile for the express purpose of "pressuring Kissinger and the White House".
- Early in 1971 negotiations were undertaken with a view to convincing Allende that if he made a deal with ITT he could confiscate with impunity other U.S. companies in Chile.

• At the end of September, 1971, when negotiations seemed to have failed, and the Chilean Government moved to take over management of Chiltelco, Merriam proposed to Peter Peterson, then Special Assistant to the President, an 18-point plan designed to insure that Allende "does not get through the next six months". Peterson never acted upon this plan.

The attitude of the company perhaps was best summed up by Gerity when he asked, "What's wrong with taking care of No. 1?" The Subcommittee limits its comments on this statement to the observation that "No. 1" should not be allowed an undue role in determining U.S. foreign policy and the Subcommittee will conclude with specific legislative recommendations on this point.

In order to appreciate the full meaning of ITT's activities, one need only consider the reaction in this country in circumstances similar to those prevailing in Chile.

Senator Church put the issue when he posed the following hypothetical situation to Mr. McCone:

Suppose we had an election in this country and the candidate receiving the largest number of votes fails to get either a majority of the popular vote or the electoral vote, with the result that the selection of the next President under our Constitution falls to the House of Representatives. Suppose, further, that the candidate getting the largest number of votes is one who has strongly favored very restrictive policies against foreign investment in the United States. Now we have a somewhat similar situation procedurally to that in Chile. The Congress of the United States is to make the choice of the next President. There is an interval between the popular election and the time that the Congress decides. Suppose British Petroleum, feeling that these restrictive policies will be inimical to its own interests in the United States, goes to the British Government and says, "If you can design a plan that will prevent this American candidate who received the most number of votes from being selected by the Congress, we are prepared to help support or finance that plan up to seven figures."

In response to Senator Church's question as to whether that would be an appropriate political action for a British company to take under these circumstances, Mr. McCone responded: "I would personally be very distressed if the British Government or any other government attempted to influence the Congress of the United States in their responsibility to select a President. . . . I would be even more distressed if I learned that any corporation offered to support political action on the part of a foreign government." (McCone testimony.)

In the Chilean case, the consequences of ITT's proposed intervention in the Chilean electoral process could have been particularly severe. The company executives in New York City were warned by Berrellez, their top political reporter in Santiago, that support of the so-called "Alessandri formula" would result in bloodshed and near civil war; and that the application of external economic and political pressure would strengthen the hands of left wing extremists and convert Allende, whom Berrellez considered "a soft-lining Marxist", into an anti-American demagogue.

This is not to say that there was no reason for concern on the company's part over the fate of its investments in Chile. The company stake was large—investments of \$160 million, book value, of which approximately \$100 million was covered by OPIC investment guarantees. Allende was a dedicated Marxist, a member of the Socialist Party for 30 years. His electoral platform and public statements contemplated

nationalization of Chiltelco. Whether compensation would be paid, or, if paid, whether such compensation would be adequate, was not clear from his utterances. So the company's concern was perfectly understandable.

So, too, was its desire to communicate that concern to the appropriate officials of the U.S. Government and to seek their judgment as to how the United States would view the possible eventuality of a seizure of company property without adequate compensation. It is also understandable that the company would wish to have the U.S. Government's assessment of the likelihood of an Allende victory, so that it could plan for such an eventuality in terms of negotiations, investment strategy, and corporate profitability targets.

But what is not to be condoned is that the highest officials of the ITT sought to engage the CIA in a plan covertly to manipulate the outcome of the Chilean presidential election. In so doing the company overstepped the line of acceptable corporate behavior. If ITT's actions in seeking to enlist the CIA for its purposes with respect to Chile were to be sanctioned as normal and acceptable, no country would welcome the presence of multinational corporations. Over every dispute or potential dispute between a company and a host government in connection with a corporation's investment interests, there would hang the spectre of foreign intervention. No sovereign nation would be willing to accept that possibility as the price of permitting foreign corporations to invest in its territory. The pressures which the company sought to bring to bear on the U.S. Government for CIA intervention are thus incompatible with the long-term existence of multinational corporations; they are also incompatible with the formulation of U.S. foreign policy in accordance with U.S. national, rather than private interests.

We hold no brief for President Allende's decision, in effect, to expropriate the property of U.S. owned corporations without adequate compensation. On the contrary, we condemn it. There should be no doubt in anyone's mind that this Subcommittee does not countenance the taking of the property of U.S. nationals without the payment of reasonable compensation. We consider that realistic negotiations, in good faith, over the amount of compensation to be paid for expropriated properties are essential to the maintenance of a healthy and constructive relationship between the United States and countries in which disputes arise over the property interests of U.S.-owned corporations.

The OPIC Guarantee

The Overseas Private Investment Corporation (OPIC) had a commitment in Chile of close to \$500 million in investment guarantees against expropriation issued to American corporations with investments in that country. As previously noted, ITT's total investment in Chile amounted to a book value of \$160 million of which approximately \$100 million was covered by expropriation guarantees; thus, nearly two-thirds of ITT's total property interest in Chile was covered. Other large holders of such policies were the major U.S.-owned copper companies: Anaconda, Kennecott, and Cerro de Pasco.

The existence of OPIC guarantees did not deter ITT from seeking to influence the U.S. Government to intervene in the Chilean elections

so as to preserve its property interests. On the contrary, the existence of the OPIC guarantees was used by McCone in his conversations with Helms as an argument, among others, for U.S. intervention in Chile: if OPIC had to compensate the companies under the guarantees, so the argument went, the cost would ultimately be borne by the U.S. taxpayer, since OPIC lacked adequate reserves to meet these potential liabilities.

Similarly, Ambassador Korry testified that in his post-September 4 election assessment for the Department of State, in which he noted that an Allende Government would not be in the U.S. national interest, he, too, used as one reason the potential cost to the U.S. taxpayer resulting from the OPIC exposure. Thus, at least in the case of Chile, OPIC insurance became an argument for American intervention "to protect the taxpayer."

The Subcommittee believes that this effect of OPIC insurance was not foreseen at the time the program was enacted. This issue, among others, will be considered in the Subcommittee's hearings on OPIC.

U.S. Government Policy

Mr. Broe arranged to meet with Mr. Gerrity in the ITT Headquarters in New York City on September 29, 1970. At that meeting Mr. Broe proposed a plan to Mr. Gerrity designed to create or accelerate economic chaos in Chile for the purpose of putting pressure on a number of Christian Democratic Congressmen to vote against Allende. Mr. Broe met with Mr. Gerrity and made his proposal with the express approval of Helms, the Director of the CIA.

Assistant Secretary of State Meyer attempted to explain Mr. Broe's proposal as merely an exploration of the feasibility of a possible policy option in connection with Chile which, he maintained, did not in itself constitute a change in policy. This explanation of Mr. Broe's proposal is weak. Even if we were to accept Mr. Meyer's theory that Mr. Broe's proposal was exploratory in nature, such an exploration, in and of itself, would indicate a major change in U.S. policy was under active consideration. Mr. Meyer testified that the pre-September 4 policy of the U.S. Government was to consider the popular election as an internal Chilean matter, which was to be allowed to run its course without interference from the United States. A decision actively to explore the feasibility of intervening in the Chilean electoral process so as to affect the outcome of the Chilean Congressional election of October 24, and deny Dr. Allende the presidency cannot be reconciled with this pre-September 4 policy, as stated to the Committee. On its face, Broe's proposal to Gerrity was a plan of action for specific concrete acts—stopping shipment of spare parts, cutting off credits, slowing down payments—and was so understood by Gerrity.

The record of the hearings calls into question the Administration's stated policy that it was willing to live with a "community of diversity in Latin America: we deal with governments as they are. Our relations depend not on their internal structures or social systems, but on acts which affect us in the inter-American system." (U.S. FOREIGN POLICY FOR THE 1970'S; A REPORT TO THE CONGRESS by Richard Nixon, President of the United States, February 25, 1971, page 53.) A com-

mitment to this policy would have been more convincingly evidenced by a willingness on the part of the State Department fully to disclose the content of the instructions which were communicated to the U.S. Embassy in Santiago.

The Forty Committee, Clandestine Operations of the CIA, and Multinational Corporations

The "Forty Committee" is the colloquial designation, taken from the serial number of the National Security Council document creating it, for the interdepartmental group within the executive branch which reviews clandestine operations of the CIA. The group is chaired by the Special Assistant to the President for National Security Affairs, Dr. Kissinger, and its members include the Deputy Secretary of Defense, the Under Secretary of State, the Director of Central Intelligence, and usually the Attorney General.

There are questions of concern in connection with the operations of the "Forty Committee" which bear directly upon this case. With what detail are instructions of the "Forty Committee" communicated to the CIA? Is the "Forty Committee" informed in advance of the modalities which the Agency contemplates using in carrying out an assignment? Specifically, in this case, was it informed by the CIA that in carrying out a mandate to explore means of influencing the political situation in Chile, use of U.S. companies was contemplated and specific proposals were being made to a particular corporation? Was the benefit to be potentially gained weighed against its overall negative consequences for U.S. business abroad by the "Forty Committee." Or was Helms merely given a general indication of what was desired, to be implemented as he saw fit?

It is clear from this case that there were significant adverse consequences for U.S. corporations which arose out of the decision to use ITT in the way it was used—willing as ITT may have been—and that it was not in the best interests of the U.S. business community for the CIA to attempt to use a U.S. corporation to influence the political situation in Chile.

There are further considerations which arise. Did the "Forty Committee" consider the consequences which would have ensued in the event that the plan to create or accelerate economic chaos in Chile had been successful? It had been the custom in Chile for the Congress to confirm as president the winner of a plurality in the popular election. There was ample evidence that an attempt to interfere with this custom would have lead to bloodshed, and possibly, civil war. (Appendix II.) There were also substantial doubts with respect to the capacity of the Chilean military to cope with this situation. (Appendix II.) Did the members of the "Forty Committee" adequately consider the possibility that, once having launched the U.S. down the road of covert intervention, other, more direct, measures might have become necessary to insure the desired result: stopping Allende from becoming President of Chile?

The Subcommittee thinks the time is ripe for an in-depth review by the appropriate congressional committees, of the decisionmaking process in the authorization and conduct of CIA clandestine operations.

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via Airtel _____
(Priority)TO: ACTING DIRECTOR, FBI
FROM: SAC, WFO (161-9073) (P)JOHN ALEX MC CONE
SPI
BUDED 7/3/73~~ALL INFORMATION CONTAINED~~~~HEREIN IS UNCLASSIFIED~~

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

Re WFO airtel, 7/5/73.

Attached herewith is a copy of the testimony of JOHN MC CONE before the Committee on Foreign Relations, U.S. Senate, Subcommittee on Multinational Corporations.

Also enclosed is a final report which contains a summary of the above matter with its conclusions.

WFO: Will report IRS upon availability.

C
ENCLOSURE

ENCLOSURE ATTACHED

cc:

- ① - Bureau
- 1 - WFO
- EWM A-2

7/10/73
1 cc of testimony to the White House
w/summary
1 cc attached to yellow summary

161-1709-119

NOT RECORDED

AUG 15 1973

70 AUG 23 1973

Approved: _____

Special Agent in Charge

Sent _____ M Per _____



UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTON, D.C. 20451

May 30, 1974

Dear Miss Dannenhauer:

Subjects: Harold Melvin Agnew
Gordon Allott
Edward Clark
Lane Kirkland
John A. McCone
Carl M. Marcey
Joseph Martin, Jr.
Gerard C. Smith

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3-22-82 BY SP4BJA/OFW
432859

The President has announced his intention to nominate the above-named individuals as Members of the General Advisory Committee of the U. S. Arms Control and Disarmament Agency.

This is to request that the Federal Bureau of Investigation be authorized to release any investigative reports on these individuals to the Arms Control and Disarmament Agency.

Sincerely,

H. Keith Reinecker
H. Keith Reinecker
Security Officer

*Rec'd 6/14/74
SI may*
Letters -
8/2/73 with encl.
7/18/73
7/11/73
11/17/61
11/2/61
6/30/58
6/24/58

Summaries
7/10/73 with encl.
11/2/61
6/30/58 with encl.
6/24/58 with LA rept.
6/2/58
5/5/54

161-1709-120

Letters and summary memoranda containing the results of investigations conducted concerning Mr. McCone were furnished to ACDA on 6/18/74. *JUN 20 1974*

Miss Jane Dannenhauer,
The White House,
Room 43,
Old Executive Office Building,
Washington, D. C.

AUTHORIZATION TO RELEASE

JUN 26 1974
Jane Dannenhauer
WHITE HOUSE SECURITY OFFICE

per telephone conversation

161-1709
File
908A/may

- 1 - Mr. V. V. Kolombatovic
(Attn.: V. H. Weimar)
1 - Mr. W. N. Freusse

BY LIAISON

Date: July 14, 1976
To: Director
Central Intelligence Agency
Attention: Robert Gambino
Director of Security
From: Clarence M. Kelley, Director
Subject: SYMBIONESE LIBERATION ARMY (SLA)
INTERNAL SECURITY

Reference is made to letter of Sidney D. Stenbridge, Acting Director of Security, dated June 10, 1976, wherein he advised that Mr. John McCone, the former Director of the Central Intelligence Agency, was desirous of being contacted by a representative of the FBI concerning threats made against him by SLA members in 1974-75.

Mr. McCone was contacted by an FBI Agent on June 25, 1976, concerning an assassination plot against him by SLA associates Michael A. Portin and Patricia Jean McCarthy. It should be noted that the original source of this information was Patricia Hearst and this information had previously been made available to International Telephone and Telegraph from whom Mr. McCone received it.

Mr. McCone was most appreciative of the full facts as furnished him and noted the original information had been embellished.

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.: _____
Adm. Serv. _____
Ext. Affairs _____
Fin. & Pers. _____
Gen. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Eval. _____
Rec. Mgnt. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

WNP:lm
(5)
NOTE:
All CIA info
unclassified per
CIA let 7/10/80
SP5RB/cn 8/5/80

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Mr. McCone, in early June, 1976, met with current Director of CIA at which time he furnished him data on SLA, primarily that which concerned an assassination plot against him. Mr. McCone had received this information from ITT. He

NOTE CONTAINED PAGE TWO

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 8/5/80 BY SP-5 RB/cn

57 AUG 9 1976

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Director
Central Intelligence Agency

NOTE CONTINUED:

is on Board of Directors of ITT. He requested to be interviewed by FBI concerning this matter. CIA referred this to us and at request of CIA we are advising that Agency that interview has been handled.

APPROVED: _____	Ext. Affairs.....	Laboratory.....
Assoc. Dir.....	Fin. & Pers.....	Legal Coun.....
Dep. AD Adm.....	Con. Inv.....	Plan. & Eval.....
Dep. AD Inv.....	Ident.....	Rec. Mgmt.....
Ast. Dir.:	Inspection.....	Spec. Inv.....
Adm. Serv.....	Intell. <i>tw/ky</i>	Training.....

Tolson _____
 Belmont _____
 Mohr _____
 Casper _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele Room _____
 Holmes _____
 Gandy _____

A portrait of the chief

JOHN ALEX McCONE, appointed CIA director by President Kennedy after the Bay of Pigs fiasco, hastened the retirement of Allen Dulles, is a multi-millionaire California businessman with extremely conservative sympathies. Drew Pearson has described him as having "made more money out of Uncle Sam during World War II" than anyone else. He headed a syndicate that parlayed an initial \$100,000 investment into \$44 million by the end of the war, building Liberty and Victory ships.

McCONE's first major government position was as President Truman's Under Secretary of the Air Force during the Korean war. He was then the leading western Republican "fat cat," serving as former Sen. William Knowland's finance chairman. He resigned as fund raiser for the California Institute of Technology in 1956 because 10 of its scientists had backed Adlai Stevenson's proposal for a nuclear test ban—an act that McCONE described as "designed to create fear in the minds of the uninformed that radioactive fallout from H-bomb tests endangers life."

Two years later, he was appointed AEC chairman by President Eisenhower, and championed continued nuclear tests. He was also instrumental in awarding operation of the first nuclear-powered merchant ship, the Savannah, to States Marine Co., which had a working partnership with McCONE's wholly owned Joshua Hendy line (he also owned Panama Pacific Tankers).

During the controversy over his Senate confirmation, several senators became disturbed over his ownership of more than \$1 million of Standard Oil Co. stock (Standard has wide interests in the Middle East through Arabian-American Oil Co.), and the fact that Standard Oil regularly charts tankers from McCONE's Hendy line.

The Washington Post and Times Herald _____
 The Washington Daily News _____
 The Evening Star _____
 New York Herald Tribune _____
 New York Journal-American _____
 New York Mirror _____
 New York Daily News _____
 New York Post _____
 The New York Times _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal _____
 The National Observer _____
 People's World _____

Date 2-20-64
 National Guardian
 p. 12

161-1709-A
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 128 MAR 19 1964

64 MAR 2 1964

Tolson ☒
 Belmont ☒
 Mohr ☒
 Callahan ☒
 Conrad ☒
 DeLoach ☒
 Evans ☒
 Malone ☒
 Rosen ☒
 Sullivan ☒
 Tavel ☒
 Trotter ☒
 Tele. Room ☒
 Ingram ☒
 Gandy ☒

BN
S
W
W. J. Mohr

UPI-141

(MCCONE)

WASHINGTON--THE SENATE TODAY REFUSED TO DELAY ITS SCHEDULED VOTE TOMORROW ON CONFIRMATION OF JOHN A. MCCONE AS CENTRAL INTELLIGENCE DIRECTOR.

SENATE DEMOCRATIC LEADER MIKE MANSFIELD, MONTANA, ASKED THAT THE VOTE BE POSTPONED A COUPLE OF DAYS TO ENABLE ONE SENATOR--SEN. WAYNE E.

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MORSE, D-ORE.--TO RETURN FROM THE ORGANIZATION OF AMERICAN STATES CONFERENCE AT PUNTA DEL ESTE. BUT SEN. EVERETT SALTONSTALL, R-MASS., OBJECTED TO A FRIDAY VOTE AND SENATE GOP LEADER EVERETT M. DIRKSEN, ILL., OBJECTED TO A DELAY UNTIL THURSDAY.

BOTH REPUBLICANS OFFERED TO CANCEL OUT THEIR OWN AFFIRMATIVE VOTES FOR MCCONE BY GIVING MORSE A "LIVE PAIR" ON THE ROLL CALL, SET FOR 2 P.M. WEDNESDAY. WITHOUT NAMING MORSE, MANSFIELD EXPLAINED THAT THE ABSENT SENATOR WAS DELAYED BECAUSE THE LATIN-AMERICAN CONFERENCE HAD NOT ENDED AS EXPECTED.

SALTONSTALL SAID THE CONFIRMATION VOTE WAS "IMPORTANT TO NATIONAL SECURITY" AND SHOULD NOT BE DELAYED ANY LONGER. DIRKSEN SAID MANY SENATORS HAD ARRANGED THEIR SCHEDULES TO BE PRESENT AS PLANNED TOMORROW. THEIR OBJECTION BLOCKED MANSFIELD'S TWO EFFORTS TO POSTPONE THE VOTE BY UNANIMOUS CONSENT.

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WASHINGTON CAPITAL NEWS SERVICE

McCone Vote Slated Today

By the Associated Press

The Senate is scheduled to vote today on John A. McCone's nomination as director of the Central Intelligence Agency. Even his opponents conceded overwhelming confirmation.

Senator Mansfield of Montana, the Senate Democratic leader, predicted a big "vote of confidence" in the wealthy California industrialist.

Senator Clark, Democrat of Pennsylvania, who opposed the appointment in a speech yesterday, said he had no doubt of Mr. McCone's confirmation.

Mr. McCone, former chairman of the Atomic Energy Commission, was picked by President Kennedy to lead the CIA when Allen W. Dulles retired last November.

Senator Clark said he believed Mr. McCone lacked the judgment and temperament for the job and that Mr. McCone's holding of \$1 million worth of Standard Oil of California stock raised a serious conflict-of-interest question.

Senator Clark said Standard is one of four American companies which owns the Arabian American Oil Co., which he said has a huge stake in the Middle East.

He added that the only way the nominee could remove the conflict was to sell the stock.

Senator Mansfield declared Mr. McCone, in previous Government posts, has proved "most efficient, most effective and most patriotic."

He said the question of what constitutes a conflict of interest is difficult and that Congress should speedily revise laws to more clearly define it.

Senator Mansfield said that Mr. McCone had "brought order out of a difficult situation" at the AEC and won the confidence of all members of the Senate House Committee on Atomic Energy.

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Senate Votes For McCone As CIA Head

By James D. Cary
Associated Press

The Senate brushed aside the conflict-of-interest and other charges yesterday and overwhelmingly confirmed millionaire industrialist John A. McCone to be director of the Central Intelligence Agency.

The 71 to 12 vote came after three days of speechmaking which questioned mainly whether McCone's holdings in shipbuilding and oil companies might interfere with his duties as chief of America's most sensitive information gathering agency.

Other Senators praised McCone as an able, hard-driving administrator.

A total of 43 Democrats and 28 Republicans joined in the approval of President Kennedy's choice to succeed veteran CIA chief Allen Dulles who stepped down last Nov. 29. Opposed were 10 Democrats and 2 Republicans — Francis Case of South Dakota and Margaret Chase Smith of Maine.

The Democrats were Quentin N. Burdick of North Dakota, Robert Byrd of West Virginia, J. William Fulbright of Arkansas, Ernest Gruening of Alaska, Frank Lausche of Ohio, Eugene J. McCarthy of Minnesota, Lee Metcalf of Montana, Maurice Neuberger of Oregon, William Proxmire of Wisconsin and Stephen Young of Ohio. Joseph Clark of Pennsylvania, Paul H. Douglas of Illinois and Wayne Morse of Oregon, all Democrats, were paired against McCone, 60, a Republican.

and former chairman of the Atomic Energy Commission has been serving since November under a recess appointment. He has held posts in two previous Administrations.

Mrs. Smith, in the final debate, said she did not consider McCone qualified. She spoke of a lack of experience in the intelligence field.

Case took up questions raised Tuesday by Clark, who said McCone had \$1 million worth of stock in Standard Oil of California, one of four American companies which owns the Arabian American Oil Co., which Clark said has a big stake in the Middle East.

Case said he wondered whether McCone could "divest himself of the interest he has in a disturbed world." As CIA director, he said McCone would have to evaluate world developments and recommend United States action.

Byrd said McCone should sell both his shipping and oil stocks.

The conflict may not be real, he said, but it is nonetheless a possibility.

Sens. Albert Gore (D-Tenn.) and John O. Pastore (D-R.I.) both members of the Joint Committee on Atomic Energy, praised McCone and his service while AEC chairman.

Pastore said that with McCone as CIA director, "Men and women of the free world can sleep a little easier at night." Gore called McCone capable, courageous and patriotic.

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UPI-127

ADD 1 MCCONE, WASHINGTON (UPI-95)

IN OTHER DEBATE PRECEDINGS THE CONFIRMATION VOTE, SEN.

FRANCIS S. CASE, R-S.D., QUESTIONED THE EFFECT OF MCCONE'S EXTENSIVE BUSINESS HOLDINGS.

NOTING THAT MCCONE WILL BE MAKING VITAL DECISIONS AFFECTING NATIONAL POLICY, CASE ASKED: "WILL HIS INSTINCTS BE FREE FROM HIS BACKGROUND."

SEN. ERNEST GRUENING, D-ALASKA, SAID THE CIA IS THE ONLY AGENCY IN GOVERNMENT COMPLETELY IMMUNE FROM CONGRESSIONAL CONTROLS OR SUPERVISION. HE ALSO QUESTIONED MCCONE'S QUALIFICATIONS AND WHETHER HE MIGHT BE INFLUENCED BY HIS BUSINESS INTERESTS.

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WASHINGTON CAPITAL NEWS SERVICE

Confidence Vote Asked On McCone

By Ernest B. Vaccaro
Associated Press

Sen. Mike Mansfield (D-Mont.), yesterday asked for a vote of confidence in John A. McCone as Director of the Central Intelligence Agency after Republicans blocked a move to delay today's show-down vote on the nomination.

Mansfield, the Senate Democratic Leader, told the Senate that McCone has been "most efficient, most effective and most patriotic" in other Federal posts and has "exercised his duties faithfully and well."

Mansfield had sought a unanimous agreement to set aside a previous decision to vote at 2 p. m. today. He said one Senator, apparently Sen. Wayne Morse (D-Ore.), had asked a delay until his return from the Western Hemisphere Foreign Ministers' meeting in Uruguay.

But Sen. Leverett Saltonstall (R-Mass.), objected to a delay until Friday, and Sen. Everett M. Dirksen (R-Ill.), the minority leader, blocked a postponement until Thursday.

Clark Opposes Him

Meanwhile, Sen. Joseph S. Clark (D-Pa.), announced that he would regretfully vote against McCone, a wealthy California industrialist and former Chairman of the Atomic Energy Commission, because:

• He felt the nominee lacked the sort of cool, dispassionate judgment and judicious temperament needed for the job.

• He believed McCone's holding of \$1 million worth of Standard Oil of California stock raised a serious question of "conflict of interest" because the CIA is certain to become involved in "the tortuous politics" of the Middle East during the next Director's tenure.

Subsequently, Sen. Francis Case (R-S. D.) voiced concern over some of McCone's shipping holdings and said he has "not reached a final decision of how I am going to vote."

Case said he was still looking into the question whether the nominee enjoyed tax-free income from the operation of ships under Panamanian and Norwegian flags.

Bartlett Undecided

Sen. E. L. Bartlett (D-Alaska), who listened to Case in the nearly empty chamber, said he too had not made up his mind how he would vote.

Bartlett said the Arabian-American Oil Company, in which McCone has indirect holdings through Standard Oil of California, had intervened in the internal affairs of Middle East nations.

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ADD 1 MCCONE WASHINGTON (UPI-141)

SEN. STUART SYMINGTON, D-MO., SAID MCCONE HAD BEEN CLEARED OF ANY CONFLICT OF INTEREST BY THE CENTRAL INTELLIGENCE AGENCY'S GENERAL COUNSEL BEFORE THE WEALTHY CALIFORNIA REPUBLICAN TOOK OVER AS CIA DIRECTOR.

SYMINGTON TOOK THE FLOOR TO DEFEND MCCONE AFTER SEN. JOSEPH S. CLARK, D-PA., CHARGED THAT MCCONE'S BIG HOLDINGS IN A CALIFORNIA OIL COMPANY "VIOLATE THE CONFLICT OF INTEREST STATUTES." CLARK SAID HE ALSO WOULD VOTE AGAINST MCCONE'S NOMINATION TOMORROW BECAUSE HE DID NOT THINK THE NOMINEE HAD THE "JUDICIAL TEMPERAMENT" TO HEAD THE HUSH-HUSH INTELLIGENCE AGENCY.

MANSFIELD TOLD THE SENATE THAT MCCONE SHOULD BE CONFIRMED BECAUSE HE HAS "PROVED TO BE A MOST EFFICIENT, MOST EFFECTIVE AND PATRIOTIC SERVANT OF HIS GOVERNMENT" AS CHAIRMAN OF THE ATOMIC ENERGY COMMISSION UNDER PRESIDENT EISENHOWER AND UNDERSECRETARY OF AIR UNDER PRESIDENT TRUMAN.

THE DEMOCRATIC LEADER SAID HE HOPED CONGRESS ALSO WOULD FIND SOME WAY TO MORE FAIRLY DEAL WITH THE "DIFFICULT AND VEXATIOUS QUESTION" OF CONFLICT OF INTEREST SO THAT WEALTHY MEN WOULD "NOT BE REGARDED AS LACKING IN INTEGRITY" WHEN THEY TOOK GOVERNMENT POSTS.

CLARK SAID THAT THE INTERESTS OF MAJOR OIL COMPANIES TOO OFTEN COINCIDE WITH THOSE OF CIA, ESPECIALLY IN THE MIDDLE EAST. HE ALSO SAID MCCONE'S "POLICY OF BELLIGERENCE" TOWARD SOVIET RUSSIA WAS NOT IN THE BEST INTERESTS OF PEACE.

SYMINGTON SAID HE AGREED WITH MCCONE'S FIRM STAND AGAINST THE SOVIET UNION. HE ALSO SAID HE CONSIDERED MCCONE TO BE OF "A MORE JUDICIOUS TEMPERAMENT" THAN HIS CIA PREDECESSOR, ALLEN W. DULLES.

THE MISSOURI DEMOCRAT, A MEMBER OF THE ARMED SERVICES COMMITTEE WHICH UNANIMOUSLY APPROVED MCCONE, SAID IT WAS "MOST UNFAIR" TO IMPLY THAT THE NOMINEE "LACKS THE INTEGRITY TO PUT HIS STOCK IN TRUST" AND THAT HE "WOULD NOT BE WORKING IN THE INTERESTS OF THE COUNTRY."

SYMINGTON SAID MCCONE GAVE THE CIA GENERAL COUNSEL A LIST OF ALL HIS HOLDINGS AND ASKED FOR A WRITTEN OPINION AS TO WHETHER THEY WOULD CONSTITUTE ANY CONFLICT OF INTEREST. THE COUNSEL SAID THEY DID NOT, SYMINGTON TOLD THE SENATE.

THE MISSOURI SENATOR SAID HE HAD CONFIRMED THAT POINT WITH THE CIA LEGAL CHIEF EARLIER TODAY.

SEN. FRANCIS CASE, R-S.D., AN ARMED SERVICES MEMBER, QUESTIONED WHETHER MCCONE HAD PILED UP BIG PROFITS THROUGH SHIPPING INTERESTS OPERATING UNDER THE PANAMA AND NORWEGIAN FLAGS, THEREBY AVOIDING "LIABILITY OF TAXES IN THE UNITED STATES."

CASE SAID HE WAS NOT SAYING THIS WAS SO BUT WOULD "NOT RECORD WHETHER THAT IS THE CASE." HE SAID HE HOPED MCCONE WOULD READ HIS REMARKS BEFORE TOMORROW'S VOTE.

CASE SAID HE FELT THIS HAS A BEARING ON THE CONFLICT OF INTEREST ISSUE QUITE APART FROM THE NORMAL ASPECT WHICH RELATES TO CONFLICT THROUGH AUTHORITY TO AFFECT PROCUREMENT OF GOVERNMENT PROPERTY.

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The Washington Merry-Go-Round

CIA Chief Next to Kennedy in

By Drew Pearson

Some people may wonder why I have been writing so much about John McCone, now up for Senate confirmation as head of Central Intelligence. They may wonder whether I have a personal grudge against McCone. The fact is I have nothing against McCone personally, don't believe I've even met him.



Pearson

But the most important person molding U. S. foreign policy, next to the President, is probably the head of Central Intelligence. The public doesn't realize this, but it's true. More than even the Secretary of State, the head of CIA can depose kings or presidents, foment revolution, take us close to war. Furthermore, he doesn't have to report to Congress, or even to the General Accounting Office for the money he spends. He is the only Government official with this exemption.

His power results from two facts:

1. He can use money and agents to subvert and undermine a foreign government and nobody in Congress knows about it.

2. He reports to the President. And the man who reports the facts on a foreign situation to be a certain way has the power to make decisions.

Let's take some examples. These are not mythical examples but are facts which can be proved.

The Cuban fiasco—In April 1961, following the tragic

failure at the Bay of Pigs, Secretary of State Rusk informed a seminar of editors in Washington that "the intelligence from Cuba was inaccurate and very poor." Roger Hillsman Jr., Chief of State Department Intelligence, informed a newsman, "our information on Cuba was quite different from CIA's but we were not consulted."

Business Finances CIA

In brief, CIA had informed President Kennedy that conditions inside Cuba were ripe for revolution, that the Cuban people would rise up to join the freedom fighters. Mr. Kennedy believed these facts to be accurate and made the wrong decision. Thus the power to report actually gave the CIA the virtual power to make the decision.

Business Money Behind CIA

After the Bay of Pigs fiasco, I reported that certain U. S. business firms, one of them a big oil company, had put up several hundred thousand dollars to finance the Cuban freedom fighters.

This meant that foreign policy was further divorced from the constitutional channels of government and financed by private corporations with a property stake in Cuba. This can be one of the best ways to drag 180 million people into war for the benefit of a handful.

However, this is the way CIA operates. Corporation heads are given the privilege of looking through CIA files. Corporation officials abroad influence and cooperate with CIA agents.

CIA Chief McCone admits he owns \$1 million of Standard Oil of California stock and is not going to sell that stock. His shipping companies make several millions dollars annually shipping ore and oil

for various corporations. How can he possibly divorce his judgment from decisions that affect his companies is a question some Senators are asking.

OPERATIONS IN SPAIN

After Prof. Jesus de Galindez was kidnaped from New York in 1956, Allen Dulles phoned District Attorney Frank Hogan in New York asking that a CIA agent be permitted to look over the Galindez papers. It then became known that CIA had put up \$1,016,000 for Galindez to operate a Basque network in Spain. The Basques hate Franco, so this network could only have worked against Franco, who has given the United States military bases.

The State Department knew nothing about this.

OPERATIONS IN COSTA RICA

In 1953-54, President Figueres of Costa Rica discovered that a CIA agent was tapping his telephone. The agent was caught. Figueres was probably the most pro-American of the duly elected Central American presidents, and the discovery of a phone tap didn't help our relations.

The State Department knew nothing about this CIA job. It was suspected that either Gen. Somoza in Nicaragua, who hated Figueres, or U. S. business interests inspired CIA to tap the Figueres phone.

OPERATIONS IN IRAN

When Mossadegh was in power in Iran, the CIA offered Mohamed Oseini Ghashghaie, a prominent Iranian leader, \$4 million in cash if he would lead a revolt. The money was to be deposited in a Swiss bank.

The offer was turned down, but later, Allen Dulles flew to Rome and worked with the Shah's sister, Princess Ashraf, in starting a revolution which succeeded.

This is a cross-section of

Power

the amazing network of intelligence and espionage operations which will come under the man who heads CIA and who, because of his power, must be examined for conflicts of interest and other qualifications.

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Senators Query McCone On Nomination to CIA

By Associated Press
 John A. McCone appears today before a Senate committee considering his nomination as director of the super-secret Central Intelligence Agency.

Mr. McCone was named last September by President Kennedy to succeed Allen W. Dulles.

In advance of the public hearing by the Armed Services Committee, Senator McCarthy, Democrat of Minnesota, said he would urge the committee to ask a series of questions about the "fitness and the qualifications" of the millionaire engineer and industrialist.

In a lengthy statement prepared for the hearing, Senator McCarthy said the committee should learn if Mr. McCone, as former chairman of the Atomic

Energy Committee, had "leaked" reports in favor of building "big bombs" or resuming all-out nuclear testing.

He also asked if Mr. McCone, a trustee of the California Institute of Technology, had sought to have 10 professors there fired because they opposed his confirmation to the AEC chairmanship.

Senator Jackson, Democrat of Washington, a member of the Armed Services Committee, said he looked for a speedy confirmation.

Also listed for committee consideration today were:

Fred Korth, 52, appointed Secretary of the Navy when John B. Connally, Jr., resigned to campaign for Governor of Texas.

Neil E. Harlan, 40, Harvard business professor, appointed as Assistant Secretary of the Air Force for financial management, to succeed Lyle S. Garlock.

Mr. McCone, Mr. Korth and Mr. Harlan received interim appointments when Congress was in recess. After committee action, the full Senate votes on confirmation.

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McCone Confirmed; What Next?

IT is not often that the Senate indulges in such healthy debate over a presidential appointment as it did in the case of John A. McCone, director of the Central Intelligence Agency.

When there is controversy over a President's choice for high Government post, it usually is political. Not in this case. All 12 of the votes against confirming the McCone appointment were cast by Democrats, and some of these were based on extraneous reasons.

Our impression of Mr. McCone's abilities are decidedly favorable. So the Senate's decision to approve him seems to us correct.

But we were even more impressed by the arguments made by the chief dissenter, Sen. Eugene McCarthy of Minnesota. He made an outstanding case for his principal point: That the CIA, under the present system, is under practically no surveillance at all by Congress.

As we understood him, the Senator was not necessarily opposed to the McCone appointment. He was opposed to any man holding this job without the Senate having a more complete knowledge of his detailed views on national policy—so long as Congress, or at least a responsible committee of Congress, does not have a constant review of the manner in which the CIA is operating,

and how well it is carrying out its purpose.

"The record shows," Sen. McCarthy said, "that this agency has been a policy-making one and has had great influence on policy."

The CIA has been described as second only to the President in power and importance. Yet it operates in almost complete secrecy—not only from the public, but from Congress. It writes its own ticket. Its budget is secret—even the total. Its personnel is secret.

Now no one is proposing, certainly not Sen. McCarthy, that the CIA function in a goldfish bowl—as openly as other departments do—or should. The Senator proposed a joint committee of Congress to keep tabs on the agency, as similar committees do in other areas.

"After all," he said, "we have a representative democracy and in major decisions, whether domestic or international, some concurrence and some participation on the part of Congress have clearly been involved from the very beginning."

Our intelligence, gathered and evaluated by the CIA, is the basis for much of our foreign policy. Or should be. It is the basis for military decisions. Or should be. Congress has a heavy duty in these areas. Congress ought to know what's going on.

Attorney General Robert F. Kennedy wants Congress to approve wire-tapping by Government agents. Sort of automation for the FBI.

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Senate Votes For McCone As CIA Head

By James D. Cary
Associated Press

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A total of 42 Democrats and 28 Republicans joined in the approval of President Kennedy's choice to succeed veteran CIA chief Allen Dulles who stepped down last Nov. 29. Opposed were 10 Democrats and 2 Republicans — Francis Case of South Dakota and Margaret Chase Smith of Maine.

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✓ **McCone**
 The Senate today planned to take up the nomination of John A. McCone to head the Central Intelligence Agency. Debate on the McCone appointment was scheduled and there appeared little doubt that he would be confirmed. But some opposition was expected and Senate Democratic leader Mike Mansfield said a final vote might be delayed until tomorrow. (UPI)

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UPI-9

(MCCONE)

WASHINGTON--THE SENATE SCHEDULED DEBATE TODAY ON PRESIDENT KENNEDY'S NOMINATION OF JOHN A. MCCONE TO HEAD THE CENTRAL INTELLIGENCE AGENCY WHILE THE WHITE HOUSE PONDERED THE APPOINTMENT OF A NO. 2 MAN FOR THE SUPER-SECRET CIA.

MCCONE'S NOMINATION WAS HEADED FOR APPROVAL. SOME OPPOSITION ORATORY WAS IN PROSPECT, HOWEVER, AND SENATE DEMOCRATIC LEADER MIKE MANSFIELD SAID A FINAL VOTE MIGHT BE DELAYED UNTIL TOMORROW.

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(MCCONE)

WASHINGTON--SEN. EUGENE J. MCCARTHY, D-MINN., SAID TODAY THE SENATE SHOULD GIVE CLOSER THAN USUAL SCRUTINY TO JOHN A. MCCONE'S NOMINATION FOR CENTRAL INTELLIGENCE DIRECTOR BECAUSE THE HUSH-HUSH CIA HAS SWEEPING POWERS WITH LITTLE CONGRESSIONAL SUPERVISION.

MCCARTHY PROMPTLY RAN INTO CRITICISM FROM SENS. HENRY M. JACKSON, D-WASH., AND STUART SYMINGTON, D-9., FOR DISCUSSING INCIDENTS IN CIA'S OPERATIONS AND SAYING THE AGENCY HAD "TAKEN CREDIT FOR" AIDING IN SUCCESSFUL REVOLUTIONS IN IRAN AND GUATEMALA. BUT THE MINNESOTA DEMOCRAT DENIED JACKSON'S CHARGE THAT HE WAS "EXPOSING ANYTHING" BY DISCUSSING SPECIFIC ACTIVITIES IN PUBLIC.

THE SUPER-SECRET INTELLIGENCE AGENCY--RATHER THAN MCCONE HIMSELF--RECEIVED THE GREATER PART OF MCCARTHY'S ATTENTION IN THE FIRST PART OF HIS SPEECH.

EARLIER, THE SENATE QUICKLY CONFIRMED 21 OF PRESIDENT KENNEDY'S OTHER NOMINATIONS, INCLUDING SEVERAL TOP FIGURES IN THE RECENT STATE DEPARTMENT SHAKEUP.

ON MOTION OF DEMOCRATIC LEADER MIKE MANSFIELD, THE SENATE UNANIMOUSLY AGREED TO POSTPONE A VOTE ON MCCONE UNTIL WEDNESDAY AFTERNOON.

MCCARTHY SAID HE WOULD HAVE MORE CONFIDENCE IN MCCONE IF THERE WAS MORE EVIDENCE THAT THE NOMINEE KNEW MORE ABOUT FOREIGN AFFAIRS AND HAD TAKEN POSITIONS ON COMPLICATED FOREIGN QUESTIONS WHICH THE SENATE COULD SCRUTINIZE.

MCCONE, A WEALTHY CALIFORNIA REPUBLICAN WITH OIL AND SHIPPING INTERESTS, FORMERLY SERVED AS CHAIRMAN OF THE ATOMIC ENERGY COMMITTEE AND AS UNDERSECRETARY OF THE AIR FORCE. HIS NOMINATION FOR THE CIA POST WAS UNANIMOUSLY APPROVED BY THE SENATE ARMED SERVICES COMMITTEE.

WHEN SYMINGTON REMINDED MCCARTHY THAT THE SENATE TWICE BEFORE HAD EXAMINED MCCONE'S RECORD AND FINANCIAL HOLDINGS BEFORE CONFIRMING HIM UNANIMOUSLY FOR OTHER JOBS, MCCARTHY SAID "WE NEED TO GIVE MORE CAREFUL CONSIDERATION" BECAUSE OF CIA'S NATURE.

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McCone Withheld Some Facts

While Drew Pearson is in the Midwest, his column is written by his associate, Jack Anderson.

By Jack Anderson

The Maritime Administration's confidential records reveal that John McCone, the new Central Intelligence chief, did not correctly inform Senators last week about an alleged conflict of interest while he was Atomic Energy chairman.



Anderson

We hope that McCone's period as CIA director will be productive and efficient. But one of the purposes of Senate confirmation debate is to alert the public regarding the past record of the office holder, and put him on notice regarding the future. This was one objective in cross-examination given McCone by some of the more alert and conscientious members of the Senate Armed Services Committee.

They questioned McCone about the arbitrary award of the atomic ship contract to States Marine, which was associated with McCone in several joint shipping ventures.

A selection board, using a careful point system, to determine the best qualified company, rated States Marine sixth out of seven applicants. Yet the Eisenhower Adminis-

tration overruled the board and gave McCone's shipping partner the contract anyhow.

Claiming no part in the contract negotiations, McCone testified last week: "This contract was negotiated during the spring of 1958. It was awarded on the 6th of June of 1958. I took office the 9th or 10th of July, some six weeks later."

Maritime records disclose, however, that the contract wasn't awarded until July 25, 1958. Even more significant, it was held up by the Atomic Energy Commission, which wanted the language revised.

All this happened while McCone was chairman. His legal officer, who drafted the changes that the AEC wanted in the States Marine contract, was James Wolf.

Reached in Pittsburgh, where he is now practicing law, Wolf confirmed to this column that the AEC had delayed and revised the contract. Maritime officials, who helped with the revisions, also recall that the question of McCone's conflict came up informally.

This makes clear (1) that the AEC participated in preparing the States Marine contract, and (2) that the final drafting occurred after McCone became chairman.

Yet at his Senate hearing last week, he claimed that the contract negotiations not only were handled strictly by the Maritime Administration but

were completed before he was sworn into the AEC.

Short Memory

Maine's demure Sen. Margaret Chase Smith brought out that McCone, though aware of the States Marine conflict, neglected to mention it during his 1958 confirmation hearings.

"Why didn't you mention the States Marine lines in your answer?" she asked sweetly.

"I cannot recall," shrugged McCone, "except that there was no contract between States Marine and the Atomic Energy Commission."

Again, he was less than frank about the AEC's part in preparing the final contract. South Dakota's GOP Sen. Francis Case, author of the Renegotiation act, which has saved the Government more than \$12 billion in excess war profits, also tried to pin McCone down on his World War II profits.

Fat War Profits

"Apparently," declared Case, "it became possible for a group with which you are associated, with a basic investment of \$100,000, to make profits of over \$44 million in the space of a couple of years or less. Is that a fair statement?"

"No," objected McCone. "I do not think it is, Senator." He launched into an in-

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Sen. Glenn Beall, Maryland Republican, brought out that McCone, as Under Secretary of the Air Force, had participated in awarding a juicy airplane contract to Henry Kaiser, a former business associate. Kaiser-Frazer promptly ran up the cost of producing the C-119 flying boxcar nearly five times the previous price.

"Wasn't it a fact that Fairchild was building the C-119 for \$260,000?" demanded Beall.

"Just about," McCone admitted.

"And Kaiser-Frazer charged \$1,200,000?" Beal pressed.

"Information of that nature came out in the June, 1953, hearing," McCone acknowledged.

"Why," asked Sen. Howard Cannon, Nevada Democrat, "was the contract taken from Fairchild and awarded to Kaiser?"

"What happened was that we were going through a vast expansion of our aircraft production program," explained McCone. "The problem we faced was whether to open up a second plant under Fairchild management or to take a second source such as Kaiser-Frazer. The recommendation of the Air Materiel Command, which I approved, was to select Kaiser-Frazer."

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The Washington Merry-Go-Round

THE WASHINGTON POST Thursday, January 25, 1962 B15

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The Washington Merry-Go-Round

McCone Won't Sell Oil Stock

By Drew Pearson

Senators who questioned John McCone, new Central Intelligence Chief, last week seemed most concerned about his position as one of the biggest stockholders in Standard Oil of California.



In the back of their minds was the influence this might have on McCone's CIA recommendations regarding Arabian oil, Israel, and one of the world's key trouble spots—the Near East.

Senators who listened to McCone's cool, quiet denials that his \$1,000,000 personal investment in Standard Oil of California would influence his decisions, did not know that only one night before he had had dinner with Ted Peterson, long-time head of Standard Oil of California.

Peterson had come to Washington for the express purpose of using his personal influence and charm on any Senators who might be opposed to McCone's confirmation, and conferred with McCone on the eve of the Senate hearing.

This in itself would indicate how important the oil company considers McCone's appointment to the key post of Central Intelligence Chief. Chairman Dick Russell of Georgia also confirmed its importance

by declaring solemnly that McCone's job was "second, only to the Presidency in its importance."

But Russell showed his annoyance when Senators wanted to question McCone by pointedly reading his personal mail during the critical questioning. Then he studied a coat-of-arms design and tried to interest Sen. Margaret Chase Smith in it.

The lady from Maine, however, was not to be deterred. She brought out that McCone owned a \$1,000,000 worth of stock in Standard Oil of California, one of the four founders of the Arabian-American Oil Co.

"It is clear," she pressed, "that the Central Intelligence Agency must make some evaluations, recommendations and reports to the President regarding the Middle East. Do you see any possibility of conflict of interest on these matters as CIA director when you have such large holdings in these oil companies?"

"The amount of my holding in Standard Oil of California that you mentioned is approximately correct," McCone admitted. "It might be a little larger than the figure you mentioned. But quite aside, my opinion is that the holding of stock in an oil company or in several oil companies would have no effect whatsoever on my activities as director of Central Intelligence." Sen. Russell had said that it would not be necessary for

McCone to sell his oil stock or his shipping company stock. When Sen. Bartlett bought up the subject, Massachusetts blueblood Sen. Leverett Saltonstall fidgeted with irritation.

"Mrs. Smith has already asked that one," Saltonstall whispered fussily. "She has already asked those questions."

Aramco's Record

But Bartlett considerably poured McCone another glass of water and went on with his questioning.

"Do you know," he inquired softly, "if Standard Oil of California is a member of the Arabian-American Oil Co.?"

"Yes, it is," acknowledged the CIA nominee.

"And, of course, all of us have heard that this company, operating in the Middle East, has at various times intervened or participated or interfered in the operations of governments in those areas," observed Bartlett. "Would you have any comment to make upon that?"

"In my trips to the Middle East," McCone replied coolly, "I have observed that the Aramco people handled their relationship with the governments of Arabia and Bahrain Island in a very satisfactory way, and so reported to me. I don't know of any interference."

The Senators, perhaps in deference to Russell's scowls and Saltonstall's fidgeting, did not press McCone further. But in the files of the Senate investigating committee and the

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State Department is an amazing record of oil-company intervention on the side of the Arab states. It includes:

1. An advance of \$200,000,000 in oil royalties to King Saud to finance the 1956 arms buildup against Israel.

2. A Senate report that the \$4,000,000 United States base in Saudi Arabia was built without congressional authorization in order to help out the Arabian-American Oil Co. in its relations with King Saud.

3. A Senate investigating committee report that Aramco overcharged the United States Navy \$67,000,000 on wartime oil in order to help Saudi Arabia.

This report, signed by the late Senator Brewster of Maine, states: "To induce the grant of aid to the Saudi Arabian government, the Arabian-American Oil Co. offered to sell to the United States at prices based on fuel oil at 40 cents a barrel.

"When the United States needed oil because of its war demands, notwithstanding these prior proposals, the companies offered the Navy fuel oil at \$1.05 a barrel on a take-it-or-leave-it basis. The Navy was forced to buy the oil on these terms.

"The oil companies," concludes the Senate report, "exploited the Government by exacting high prices, despite the assistance granted Saudi Arabia at the companies' request to protect and preserve the companies' concessions."

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McCone Gets Approval of Committee

Associated Press

The Senate Armed Services Committee yesterday formally approved the nomination of John A. McCone to head the Central Intelligence Agency.

Chairman Richard B. Russell, (D-Ga.) announced that the Committee in a closed meeting also approved the nominations of:

Fred Korth, (Fort Worth, Tex.) to be Secretary of the Navy.

Nell E. Harlan, a Harvard professor, to be Assistant Secretary of the Air Force for Financial Management.

Russell told newsmen there were no votes against reporting any of the three nominations to the Senate, but that at least one Senator had gone along as to McCone "with reservations," meaning the Senator reserved a right to oppose confirmation in the Senate if he wished. He did not name the Senator.

Russell says he expects no "substantial opposition" to McCone in the Senate.

McCone, Korth and Harlan already are on the jobs under recess appointments from President Kennedy announced before Congress reconvened.

The Committee's approval of McCone follows public hearings last week at which Sen. Eugene J. McCarthy (D-Minn.) raised critical questions about the CIA's powers and whether McCone is the right man to head the super-secret Intelligence Agency.

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The CIA's Role

Members of Congress are quite justified in closely questioning John A. McCone about his conception of his new job. As director of the Central Intelligence Agency, Mr. McCone occupies a unique place in government. His agency is not subject to the normal checks of political supervision, yet the CIA has wide discretion in highly sensitive areas of policy.

A good part of the CIA's function is to perfect the national intelligence estimate so important to executive decision. But the CIA sometimes has been not only an instrument of policy, but an original source of policy as well.

For this reason, it is reassuring that Mr. McCone, in response to questions from Sen. Eugene McCarthy, asserts that he does not regard his post as "a policy making position." It is also a credit to Mr. McCone's good sense that he plans to decline to volunteer his views on national policy to public audiences.

To be sure, these reassurances from Mr. McCone do not resolve the question of fitting the CIA into the framework of a free society. The problem has been succinctly phrased by Harry Howe Ransom:

Whatever one's views, the existence of a secret bureaucracy poses special problems in the American system of government. Knowledge is power. Secret knowledge is secret power. A secret apparatus, claiming superior knowledge and operating outside the normal checkreins of American democracy, is a source of invisible government.

One approach to the dilemma is that urged by Senator McCarthy, who suggests the establishment of a joint congressional committee to exercise supervision over the CIA in somewhat the same manner as the Joint Committee on Atomic Energy operates. But the weakness of this approach is suggested by the present Joint Committee's history: the watchdogs can sometimes become influenced by the agency under scrutiny instead of an influence on it.

Perhaps a more effective technique is to rely on the Executive Branch to build in safeguards. Mr. Kennedy, following the Cuban debacle, took this path in relying on Gen. Maxwell Taylor to keep watch on the CIA.

The director of the CIA, Senator McCarthy has remarked, "should be more interested in finding evidence and passing objective judgment on it than attempting to polarize opinions or supporting a set position." This seems a fair caveat; the hearings on Mr. McCone's appointment have served a useful function by acquainting the new CIA Director with misgivings about his job.

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✓ **McCone**
 The Senate Armed Services Committee unanimously approved the nomination of John A. McCone as director of the Central Intelligence Agency. The Senate is expected to act this week on the appointment. The committee also cleared the nomination of Fred Korth to be Navy Secretary. (UPI)

John O. McCone

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McCone Holdings Suggest Conflict

By Dreia Pearson

Some of the Democrats who shouted loudly and continuously about conflicts of interest in the Eisenhower

Administration are now loath to talk about possible conflicts in the Kennedy Administration—especially the dubious position of John A. McCone, new chief of Central Intelligence.



Pearson

This column was one which helped expose some of the conflicts among Eisenhower officials; therefore, feels obligated to do the same with Democrats.

One of McCone's most important investments is in Standard Oil of California and Standard Oil of New Jersey. He has been a director of the former, and its report to stockholders as of Aug. 1, 1961, lists him as owning 18,318 shares, on top of which he received a stock dividend of 915 shares, which at the current value of \$53.50 gives the new CIA chief an investment of \$1,028,965.50 in Standard of California.

This makes him the second biggest stockholder in a company whose profits and future are materially influenced by Central Intelligence.

McCone, when up for confirmation to a past Government post, has declined to sell his stock in these oil companies but put them in a trust. Secretaries of Defense Charley Wilson and Robert McNamara would have been

delighted to put their stock in General Motors and Ford in trust, but were not permitted to do so.

Effects on Israel

It happens that Standard of California and Standard of New Jersey control the Arabian American Oil Co., which operates perhaps the most fabulous oil concession in the world, with reserves estimated to last around 100 years.

It also happens that the Near East is a field where Central Intelligence has played an all-powerful role and usually swung its weight against Israel, the only democratic country in that area. The CIA has probably influenced policy more than the State Department, and it has nearly always sided with the oil companies.

Here are some illustrations of how events have been influenced in the Near East.

Illustration No. 1—In 1952, CIA maneuvered an Egyptian revolt that kicked out King Farouk and substituted the Naguib-Nasser rule. This may or may not have been a good thing, but there is no question but that the coup was organized by CIA; that it led to the strengthening of Egypt in the Arab world.

Illustration No. 2—When John Foster Dulles sent George Allen, then Assistant Secretary of State, with a special message to President Nasser, it was the Central Intelligence director, for the Near East, Kim Roosevelt, who told Nasser to ignore the Dulles message.

Illustration No. 3—During the Suez war of 1956, it was Central Intelligence which sent in the reports that guided President Eisenhower

in making his decisions. These reports may have been completely conscientious and accurate. But they ought not to be made by a director who has heavy investments in the major American oil companies affected by the Suez war.

Illustration No. 4—Just prior to the Suez war, Nasser put the bite on the Arabian American Oil Co. through his friend King Saud of Saudi Arabia to collect \$200 million of advance oil royalties. This was used directly to purchase the huge arsenal of Czech arms which Egypt amassed on Israel's border prior to the Suez war. It was this buildup of arms that touched off the war.

Profits vs. Strategy

Illustration No. 5—During the Suez war, Syria served an ultimatum that it would cut the pipelines crossing her territory if any American oil were sold to the French and British. The United States promptly curtailed all oil shipments to the French and British. The CIA Director, who must necessarily participate in such a decision, should not be a heavy stockholder in oil companies that are affected.

Illustration No. 6—During the first three months of 1957, immediately following the Suez crisis, Standard of New Jersey raked in the huge income of \$237,000,000—16 per cent more than in the same period of the previous year. In the same period, California jumped its profits 13 per cent. This resulted directly from the Suez crisis and a resultant boost in the price of oil. The man who heads CIA, even

though he leans over backward to be impartial in his judgments, should not be a big stockholder in companies likely to profit from his decisions.

Illustration No. 7—It was CIA which secretly organized the political maneuver which kicked Premier Mossadegh out of Iran. He had seized the Anglo-Iranian oil refinery. Anglo-Iranian is a competitor of Aramco. The head of CIA, with oil stock, should not be in a position where he has to undertake operations for or against competitors of the companies in which he has an interest.

Illustration No. 8—The oil-rich sheikdom of Kuwait right now is in throes of trouble with oil-rich Iraq. Britain gets most of its oil from Kuwait. Some of Kuwait's oil also goes to Sun Oil, Union Oil, and Gulf—all competitors of Standard of New Jersey and Standard of California, in which McCone holds heavy interest.

Again, a CIA director, no matter how conscientious, should not be a man who directly or indirectly must handle operations which could affect his own companies or his competitors.

NOTE—McCone's wholly owned Joshua Hendy shipping line with his partner, State's Marine (which got the prize atomic merchant ship, Savannah contract) when McCone was atomic chairman, got \$2 million in charter hire contracts from Standard of California in 1960 and they have continued to do a profitable business with it since.

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McCone Defends CIA But Won't Bar eDetails

By the Associated Press

Director John A. McCone defended today the activities of the Central Intelligence Agency, but declined to go into detail on its operations, past or future.

Replying to criticisms aimed at the super-secret agency and at his qualifications to head it, Mr. McCone reiterated he does not feel the CIA director is in a policy-making position. And he promised to keep four congressional subcommittees informed about operations of the agency.

What CIA does, how it does it, how many employees it has and what it spends never have been publicly disclosed.

Mr. McCone's public discussion of the CIA and his plans for it went in a letter to Chairman Russell, Democrat of Georgia, of the Senate Armed Services Committee. The communication was sent in reply to questions raised last week at a committee hearing on the nomination.

Approval Due Today

The committee is expected to approve today and send on to the Senate for indicated confirmation. President Kennedy's appointment of the 60-year-old millionaire industrialist and shipping-line executive for the sensitive post.

Mr. McCone succeeded Allen W. Dulles as CIA director last November while Congress was in recess.

Last Thursday Senator McCarthy, Democrat of Minnesota, raised a number of critical questions about CIA operations and the fitness of Mr. McCone for the important post.

As presently operating, Mr. McCone said, the CIA "is not a bad pattern of organization" but added "some changes will be indicated."

Senator McCarthy questioned both the legality and authority for some recent actions credited to the CIA. He said the secret agency was reported to have helped oust the Premier of Israel in 1953, overthrow the President of Guatemala in 1954, and aided the ill-fated Cuban invasion.

McCone's Answer

In reply, Mr. McCone wrote: "Many events have been attributed to the Central Intelligence Agency over the years, and it would be impossible for me to have the facts on these matters, but I certainly do not accept because they are attributed to the Central Intelligence Agency that the agency is responsible for them."

Mr. McCone promised "to carry out to the best of my ability all duties assigned, and I must assume that no such assignment would cause me to violate my oath of office to support and defend the Constitution."

To Senator McCarthy's question as to the authority and ethics of some CIA activities, Mr. McCone replied:

"The very nature of the question is such that I cannot respond to it, particularly in the light of responsibility imposed upon me by law to assure the protection of intelligence sources and methods from unauthorized disclosure."

Mr. McCone served as chairman of the Atomic Energy Commission from 1958 to 1961 and Senator McCarthy asked about "leaks" of information in the disputes over nuclear testing.

McCone Defends AEC

Flatly denying that he or anyone in AEC leaked this or other classified information, Mr. McCone said: "There were leaks in this area, but there were none that were attributed to the Atomic Energy Commission."

He denied also Senator McCarthy's implication that Mr. McCone, as a trustee of the California Institute of Technology, had attempted to have fired 10 professors who publicly differed with him on atomic issues.

Mr. McCone said Senate and House subcommittees of both the Armed Services and Appropriations Committees, dealing with CIA. This was his answer to complaints by Senator McCarthy and others that Congress has little check or supervision of the agency.

The Central Intelligence Agency has been at all times responsive to the calls of these subcommittees and in addition has brought to their attention matters the agency felt should properly be considered by them," he said, adding:

"I will continue this policy and this relationship with these subcommittees."

He noted also that CIA reports to the National Security Council and is subject to direction by the National Security Council.

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(MCCONE)

WASHINGTON--THE SENATE ARMED SERVICES COMMITTEE TODAY APPROVED THE NOMINATION OF REPUBLICAN JOHN ALEX MCCONE, 60, AS DIRECTOR OF THE COUNTERSPY CENTRAL INTELLIGENCE AGENCY (CIA).

COMMITTEE CHAIRMAN RICHARD B. RUSSELL, D-GA., TOLD REPORTERS THE NOMINATION WAS APPROVED UNANIMOUSLY, BUT SEVERAL MEMBERS RESERVED THE RIGHT TO FURTHER EXPLAIN THEIR POSITION ON THE SENATE FLOOR.

HE SAID HE EXPECTED THE SENATE TO VOTE ON THE NOMINATION SOMETIME THIS WEEK. THE COMMITTEE VOTE WAS TAKEN AFTER THE GROUP LISTENED TO THE SECOND DAY OF CLOSED-DOOR BRIEFINGS BY DEFENSE SECRETARY ROBERT S. MCNAMARA ON THE PROPOSED \$51.6 BILLION MILITARY BUDGET FOR NEXT YEAR.

THE COMMITTEE ALSO CLEARED TWO OTHER NOMINATIONS.

THEY WERE FRED KORTH, TEXAS BANKER, FOR SECRETARY OF THE NAVY, REPLACING JOHN CONNELLY, WHO RESIGNED TO RUN FOR TEXAS GOVERNOR; AND NEIL E. HARLAN, HARVARD BUSINESS ADMINISTRATION PROFESSOR, FOR ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL MANAGEMENT.

RUSSELL SAID THE COMMITTEE QUESTIONED MCNAMARA AND HIS AIDES CLOSELY ABOUT A NUMBER OF PROPOSALS IN THE RECORD FISCAL 1963 DEFENSE BUDGET.

"THERE IS SOME SENTIMENT IN THE COMMITTEE AGAINST THE ABANDONMENT OF PROCUREMENT FOR MANNED BOMBERS," RUSSELL SAID. HE SAID THE COMMITTEE ALSO WAS CONCERNED THAT PRODUCTION FOR THE B-70 SUPER-BOMBER HAD BEEN CUT BY MCNAMARA.

THE BUDGET CALLS FOR CONTINUED RESEARCH AND DEVELOPMENT ON THE 2,000-MILE-AN-HOUR B-70, BUT NO FUNDS TO PUT IT INTO PRODUCTION. IT ALSO EARMARKS NO FUNDS FOR B-52 MANNED BOMBER PRODUCTION.

"I THINK IT STILL IS TOO EARLY TO ABANDON MANNED AIRCRAFT IN FAVOR OF MISSILES," RUSSELL SAID. HE EXPLAINED BOMBERS WERE PROVEN WEAPONS, WHILE THE U.S. MISSILE ARSENAL STILL FELL FAR SHORT OF 100 PER CENT MILITARY RELIABILITY.

THE CRITICISM WERE SIMILAR TO THOSE VOICED LAST SESSION, WHEN CONGRESS OVERRODE MCNAMARA AND VOTED AN EXTRA \$525 MILLION FOR MANNED BOMBER PRODUCTION, AND \$180 MILLION FOR THE B-70. THE PENTAGON DID NOT SPEND EITHER SUM.

RUSSELL SAID SOME COMMITTEE MEMBERS ALSO QUESTIONED MCNAMARA ABOUT THE PROPOSAL TO CUT ARMY RESERVES AND NATIONAL GUARD BY 30,000 MEN NEXT YEAR.

MCNAMARA WAS ACCOMPANIED BY GEN. LYMAN LEMNITZER AND OTHER MILITARY PERSONNEL. THE COMMITTEE WAS DUE TO RETURN FOR FURTHER AFTERNOON BRIEFINGS.

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WASHINGTON CAPITAL NEWS SERVICE

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The CIA and Congress

WHEN JOHN McCONE, President Kennedy's choice as the new head of the more or less mysterious Central Intelligence Agency, was before the Senate Armed Services Committee last week, Sen. Eugene McCarthy (D., Minn.) urged a specially intensive scrutiny of McCONE's qualifications.

The Senator's reason, he said, was that Congress would have little or no supervision over McCONE's operations.

This is true, despite some claims that congressional appropriations committees get the low-down on the CIA when the agency appears for funds to operate.

The Minnesota Senator—and many others in Congress—favor a special joint committee of the House and Senate to oversee the CIA. This was recommended years back by the Hoover Commission, following a check by a task force headed by Gen. Mark Clark. Since the operations of the CIA necessarily are highly secret, the joint committee was proposed as a means of assuring the taxpayers, who pay for it, that it was doing the best possible job.

IT WASN'T DOING such a job at the time of the Hoover Commission, the task force said. And since then there has been no check, independent of the Administration, to find out how much it has improved, if any.

What the Hoover Commission said then (1955) is as true now, or more so:

"The fate of the nation well may rest on accurate and complete intelligence data which may serve as a trustworthy guide for top-level decisions on policy and action in a troubled world."

As chairman of the Atomic Energy Commission in the last two and a half years of the Eisenhower Administration, McCONE worked closely with the Joint Congressional Atomic Energy Committee. If anything, a like committee on our intelligence activities is even more important.

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Mr. Ingram
Miss Gandy

The Knoxville
News-Sentinel
Knoxville, Tennessee
LOYE W. MILLER,
Editor

Home Edition

Dated 1/22/62

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Knoxville Field Office

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No. 2 Man Is Stepping Down

Military Aide to CIA Boss Is Urged on Hill

Top Senate military experts prefer that a military officer be top assistant to Central Intelligence Director John A. McCone.

Air Force Lieut. Gen. C. P. Cabell is retiring at the end of this month as the CIA's No. 2 man. The vacancy is still to be filled, and the law permits a civilian or a military man to hold the post.

However, Chairman Richard B. Russell (D., Ga.), Sen. Stuart Symington (D., Mo.) and Sen. Prescott Bush (R., Conn.), all advised Mr. McCone yesterday to recommend a military man for President Kennedy's consideration.

Sen. Russell said he believes Congress, which provided by law that if a military man is CIA director he must have a civilian assistant, meant the reverse to apply too. Sen. Symington said a military man helps the liaison between CIA and the Armed Services which, he said, has not always been of the very best.

Mr. McCone told the senators that he would prefer a military man since war time would put much of his agency under the military. He stressed, however, that he needs a top man for the post, which is more important than before because of an administrative shift making the deputy CIA director the CIA spokesman on the board which makes national intelligence estimates.

The discussion of Mr. McCone's deputy came when he went to the Capitol to testify on his own nomination. The committee finally deferred action on the nomination, but chairman Richard B. Russell (D., Ga.) said indications are that it will be approved next Monday. (UPI)

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Elsewhere on the Hill:

✓ Budget

Chairman Harry F. Byrd (D., Va.) of the Senate Finance Committee, predicted today President Kennedy's record peacetime budget would produce a \$1 billion to \$5 billion deficit rather than the \$500 million surplus claimed by the President. Sen. Byrd, who plans to launch a major fiscal inquiry, joined Republicans in challenging Mr. Kennedy's optimism about a surplus in the \$92.5 billion budget for the fiscal year starting July 1. (UPI)

✓ Taxes

President Kennedy, at the risk of spilling red ink on his narrowly balanced budget, was pushing today for a multi-billion-dollar program of

tax relief for business. The Administration is concerned over indications that other countries are modernizing their industries more rapidly than the United States, and has devised a two-pronged tax incentive program to stimulate American business to invest and modernize to meet the stiffer competition of foreign industries. (UPI)

✓ Pinball

A pinball machine maker's aide told the House Commerce Committee today that Atty. Gen. Robert F. Kennedy has not proved that free plays on the machines are "a national evil." Martin M. Nelson, of the Bally Manufacturing Co. of Chicago, appeared before the committee to testify against Mr. Kennedy's proposed bill to make it a crime to ship certain types of pin-

ball machines, roulette wheels and other gambling devices across state lines. (UPI)

✓ Speaker Sam

The House paid its final tribute to the late Speaker Sam Rayburn yesterday. Congressmen from Rep. Rayburn's successor, John W. McCormack, to men who were not even born when Rep. Rayburn first came to Congress in 1931, took part in the memorial. (UPI)

✓ Medicare

Senate Democratic leader Mike Mansfield said he would "do everything I can" to get the Senate to consider a bill to provide medical care for the aged under Social Security this year. He admitted that it may be hard to get such a bill approved, but said he still had hopes. (UPI)

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McCone Pictures His CIA Job As All-Intelligence Coordinator

By Chalmers M. Roberts
 Staff Reporter
 Central Intelligence Agency
 Director John A. McCone disclosed yesterday a Presidential directive that he guide and coordinate "the total United States and foreign intelligence effort."
 He did so at a Senate Armed Services Committee hearing on his confirmation. A favorable committee vote is expected on Monday.

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McCone said he felt his post was "not a policy-making position" but that he would expect President Kennedy might ask "my personal opinion" due to his long prior service in government. He promised to keep the Committee informed and not to let his views be "colored or influenced," as Chairman Richard Russell (D-Ga.) put it, by any other Government agency.

Sen. Eugene J. McCarthy (D-Minn.), not a Committee member, read a memorandum questioning the supervision of the agency and raising the old issue of McCone's attitude during the 1956 presidential campaign about a group of scientists who differed with him on the nuclear test ban issue.

Opposes Unpoliced Test Ban

In response to later questioning by Sen. Stuart Symington (D-Mo.), who strongly praised the nominee, McCone said that as a California Institute of Technology trustee, he had "brought no formal charge" against the scientists. He said he had not "officially" sent anyone a copy of his letter of protest to the scientists.

As to his views, he said he was and continued to be "a strong supporter of massive retaliation" as a policy. But he also said the United States must be able to "conduct wars at various levels" of armaments. He said he was against an unpoliced test ban.

CIA operations, said McCone, would be carried out "with the knowledge" of the President and Secretary of State. He said the President had wide powers "to do the things which are necessary in the national interest and those powers are best served by taking steps to defeat the encroachment of communism."

McCone said one CIA change had been made: his deputy will serve as the agency representative on the National Intelligence Board rather than McCone himself, who is the Board chairman. This would give him a position of more impartiality, he said. But he also noted that the Board is advisory to the CIA director "who transmits his views" to the President.

Influence Reports Denied

McCone denied reports that he had used his influence while Atomic Energy Commission chairman to assign maintenance of the nuclear ship Savannah to a shipyard owned by him. He said the contract involved was made before he joined the AEC and that "I at no time discussed the assignment of that contract with anyone in Government."

He also denied that he had been responsible for any news leak while at AEC. McCarthy had asked whether he was responsible for anti-test ban reports from the agency.

The Committee also considered nominations of Navy Secretary Fred Korth and of Nell E. Harlan, Assistant Air Force Secretary for Financial Management. Sen. Margaret Chase Smith (R-Maine) exacted a promise that Korth would stay on the job, a promise she said she also had received from his predecessor, John Conally, who quit to run for Governor of Texas.



Associated Press

Sen. Richard B. Russell (D-Ga.), at right, greets Fred Korth before the start of a hearing yesterday by the Senate Armed Services Committee on Korth's nomina-

tion to be Secretary of the Navy. At center is John A. McCone, nominated for Director of the Central Intelligence Agency, who also appeared.

THE QUIET SPY

New CIA Chief Has Little to Tell Senators

By MARY MCGRORY
Star Staff Writer

What are the qualifications for the Nation's No. 1 spy?

Should he, for instance, look like one?

John A. McCone, the President's nominee to be director of the Central Intelligence Agency, does not. This of course, could be a plus, since it might confuse the enemy. No one looking at Mr. McCone's open face, his white hair and brown eyes, would ever suspect him of trying to decipher invisible writing or following someone down a dark street.

Appearance of Executive

Sitting stiffly before the Senate Armed Services Committee in his dark blue suit at his confirmation hearings, he looked like the successful business executive he once was.

Mr. McCone does not move his lips when he talks. Nor does he talk much. He didn't volunteer a thing to the Senators. When they asked him questions which in other nominees would have set off a Fourth of July oration, he said in his tight-lipped fashion that he would prefer not to comment, except possibly in executive session.

But a spy shows his stuff not by what he says himself but by what he gets other people to tell him; and the meeting in the Armed Services Committee Room did not give Mr. McCone any opportunities along that line.

New to the Field

Should a spy be an old hand or a "natural" newcomer? That question came up, and Mr. McCone said frankly he had no experience in intelligence and investigation work, which, considering some of the recent mishaps of the agency he will head, might be all to the good.

Still he seems to lack the natural curiosity which might be considered essential in the spy game. When Senator Margaret Chase Smith, Republican of Maine, asked him who had recommended his appointment, Mr. McCone said he didn't know.

This would indicate, at least, that Mr. McCone, a serious 60-year-old, pays no heed to Washington gossip, which had it that he owes his present job to the President's brother, Attorney General Robert F. Kennedy, who headed a special committee to investigate the CIA after the Cuban misadventure.

McCarthy's View

Senator McCarthy, Democrat of Minnesota, who is not a member of the Armed Services Committee, which must decide if McCone fills the bill as the Nation's No. 1 spy, had an idea of what such a super-spy should be.

Said Senator McCarthy: "He should be a man who is self-possessed, restrained and detached."

Senator McCarthy suggested to members of the committee that, since the Congress can know nothing about the Central Intelligence Agency, it should know everything possible about the man who runs it. He issued an invitation to the committee to consider the whole character of Mr. McCone.

Discuss 1956 Issue

The committee did not respond favorably to Senator McCarthy's statement, which he called "a paper" betraying his academic background. The most serious question he raised was in connection with Mr. McCone's treatment of ten scientists of the California Institute of Technology who in 1956 called for a moratorium on nuclear testing. Mr. McCone wrote a letter taking exception to the scientists' views, which he said, were "obviously designed to create fear in the minds of the uninformed that radioactive fallout from H-bomb tests endangers life."

Senator McCarthy said "it had been reported" that Mr. McCone, a trustee of the institute, had demanded that the 10 scientists be fired.

He said he did not know whether it is true or not, but that the committee should inquire about the matter.

At least one member of the committee, Senator Symington, Democrat of Missouri, said he found Senator McCarthy's appearance "somewhat unique."

Lauded by Symington

Senator Symington's investigations had convinced him that "there has never been a better public servant in Washington" than Mr. McCone.

The nominee listened to him impassively.

"We have heard a lot of chatter about academic freedom," said Senator Symington, with great briskness. "You were a trustee and you had a certain responsibility and you wrote a letter saying you disagreed with these men and you did not ask they be discharged."

Senator Symington congratulated President Kennedy for nominating such an excellent man to be his No. 1 spy.

Later the committee gave informal approval to Mr. McCone's nomination. Formal vote was deferred until Monday, but the Associated Press reported that a substantial majority of the committee would endorse the millionaire industrialist for his third high-ranking governmental post. Full Senate confirmation is expected with little dissent.

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John McCone

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ADD 7 MCCONE WASHINGTON

IN THE COURSE OF HIS TESTIMONY, MCCONE PICKED UP SOME ADVICE FROM COMMITTEE MEMBERS ON THE SELECTION OF A SUCCESSOR TO AIR FORCE LT. GEN. C. P. CABELL, WHO IS RETIRING JAN. 31 AND STEPPING DOWN AS DEPUTY DIRECTOR OF CIA.

ALTHOUGH THE LAW DOES NOT REQUIRE IT, RUSSELL, SYMINGTON AND SEN. PRESCOTT BUSH, R-CONN., URGED MCCONE TO RECOMMEND ANOTHER MILITARY OFFICER. MCCONE, STRESSING THAT HE WANTS A TOP MAN FOR THE JOB, SAID HE WOULD PREFER THAT HE COME FROM THE MILITARY SERVICES.

HE REPLIED WITH A NO-COMMENT TO MRS. SMITH'S QUESTION ON WHETHER CIA SUPPORTS CERTAIN ETHNIC GROUPS SUCH AS THE POLES AND THE HUNGARIANS. BUT HE AGREED WITH CHAIRMAN RUSSELL THAT THE U.S. HAS EVERY RIGHT TO SUPPORT SUCH GROUPS IN VIEW OF THE COMMUNISTS' ACTIVE ATTEMPTS TO INFILTRATE IN NON-COMMUNIST NATIONS.

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J. Edgar
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(MCCONE)

WASHINGTON--PRESIDENT KENNEDY'S NOMINATION OF JOHN A. MCCONE TO HEAD THE CENTRAL INTELLIGENCE AGENCY WAS ALL BUT ENGULFED TODAY IN THE DRIVE FOR CLOSER CONGRESSIONAL SCRUTINY OVER HIS SECRET ORGANIZATION.

NO REAL THREAT TO MCCONE'S SENATE CONFIRMATION WAS IN PROSPECT AS CHAIRMAN RICHARD B. RUSSELL, D-GA., CALLED THE 60-YEAR OLD SHIPBUILDING EXECUTIVE BEFORE THE SENATE ARMED SERVICES COMMITTEE (10:30 A.M.). HOWEVER, TWO CHAMPIONS OF THE PROPOSAL FOR A CONGRESSIONAL COMMITTEE ON INTELLIGENCE WERE SCHEDULED TO TESTIFY.

SEN. EUGENE J. MCCARTHY, D-MINN., AND REP. EMILIO Q. DADDARIO, D-CONN., WERE SCHEDULED TO TESTIFY ON THE MCCONE NOMINATION. BOTH HAVE ADVOCATED CREATION OF A SENATE-HOUSE WATCHDOG COMMITTEE ON INTELLIGENCE.

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ADD 3 MCCONE, WASHINGTON (UPI-108)

THE ARMED SERVICES COMMITTEE DEFERRED ACTION TODAY ON MCCONE'S NOMINATION BUT ALL INDICATIONS POINTED TO OVERWHELMING COMMITTEE APPROVAL NEXT MONDAY.

THE COMMITTEE ACTED AFTER A DAY-LONG APPEARANCE BY MCCONE. SINCE MCCONE HAD BEEN ASKED TO SUPPLY DATA BY SOME MEMBERS, THE COMMITTEE DECIDED TO OBSERVE THE LETTER OF ITS RULE WHICH REQUIRES SUCH NOMINATIONS TO AWAIT ACTION IN THE COMMITTEE FOR A WEEK.

RUSSELL COMMENTED, HOWEVER, THAT WHILE "SOME DOUBTS" WERE EXPRESSED ON MCCONE'S NOMINATION HE KNOWS OF "NO SUBSTANTIAL" OPPOSITION AND EXPECTS THAT "A SUBSTANTIAL MAJORITY OF THE COMMITTEE WILL FAVOR" MCCONE AND TWO OTHER PRESIDENTIAL NOMINEES CAUGHT UNDER THE SEVEN-DAY RULE.

ALSO PASSED OVER FOR ACTION AT A SCHEDULED MEETING MONDAY WERE THE NOMINATIONS OF FRED H. KORTH, TO BE SECRETARY OF THE NAVY, AND NEIL HARLAN, TO BE ASSISTANT SECRETARY OF THE AIR FORCE.

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ADD 6 MCCONE WASHINGTON *John*

SEN. MARGARET CHASE SMITH, R-ME., TOLD MCCONE THAT SHE WILL NOT BE ABLE TO VOTE FOR HIS CONFIRMATION UNTIL HE PROVIDES A FULL REPLY TO MCCARTHY'S TESTIMONY AND MAKES AS MUCH OF IT PUBLIC AS POSSIBLE. SHE SAID SHE HAS NOT DEVELOPED A VERY FAVORABLE OPINION OF CIA AS A MEMBER OF SENATE COMMITTEES DEALING WITH MILITARY MATTERS AND HAS SERIOUS RESERVATIONS ABOUT THE "BLANK CHECK" OPERATION WHICH KEEPS CONGRESS IN THE DARK "UNTIL THE DAMAGE HAS BEEN DONE," AS IN CUBA.

MRS. SMITH ASSERTED THAT MCCONE'S PREDECESSORS HAD EACH HAD "SOME PRIOR TRAINING OR EXPERIENCE" IN INTELLIGENCE OPERATIONS TO QUALIFY THEM FOR THE JOB. SHE ASKED WHAT QUALIFICATIONS MCCONE POSSESSED ALONG THOSE LINES.

"NONE," REPLIED MCCONE QUICKLY. TO FOLLOW-UP QUESTIONS HE SAID THE QUESTION OF HIS QUALIFICATIONS WAS DECIDED BY OTHERS ALTHOUGH HE GAVE IT SOME VERY SERIOUS THOUGHT AND DISCUSSED IT WITH HIS WIFE. HE ALSO TOLD MRS. SMITH THAT HE DID NOT BELIEVE ANY OF HIS HOLDINGS-- INCLUDING ABOUT \$1 MILLION WORTH OF STOCK IN STANDARD OIL OF CALIFORNIA--WOULD POSE ANY CONFLICT OF INTEREST QUESTIONS IN THE GATHERING, EVALUATING AND DISSEMINATION OF INTELLIGENCE DATA.

QUESTIONED BY SEN. FRANCIS CASE, R-S.D., MCCONE TESTIFIED ON NEWS REPORTS, DERIVED FROM CONGRESSIONAL HEARINGS ON WORLD WAR II SHIP-BUILDING OPERATIONS, THAT PURPORTED TO SHOW THAT THE INTERESTS WITH WHICH MCCONE WAS ASSOCIATED MADE ABOUT \$44 MILLION ON AN INVESTMENT OF ABOUT \$100,000.

MCCONE SAID SOME OF THE STATEMENTS CONTAINED IN THE NEWS STORIES DO APPEAR IN PRIOR HEARINGS BUT NOT IN HIS SWORN STATEMENT ON THE MATTER. HE SAID HIS GROUP ACTUALLY PUT UP SOME \$600,000 PLUS SUBSTANTIAL SUBORDINATED LOANS AND BANK CREDITS TOTALLING SOME FOUR MILLION. THE FOUR AND ONE-HALF YEAR PROFITS, HE SAID, WERE "IMPORTANT" BUT "CONSIDERABLY LESS" THAN REPORTED AND WERE, OF COURSE, SUBJECT TO "A 95 PER CENT INCOME TAX."

SEN. HENRY M. JACKSON, D-WASH., PRAISED MCCONE'S CANDID RELATIONS WITH THE CONGRESSIONAL ATOMIC ENERGY COMMITTEE AS AEC CHAIRMAN. SEN. STROM THURMOND, D-S.C., REVIEWING MCCONE'S ENTIRE CAREER IN BUSINESS AND GOVERNMENT, SAID HE COULDN'T SEE HOW A SENATOR COULD THINK OF VOTING AGAINST HIM.

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Experts Reversed on Nuclear Ship

See rpt of V.W. HUGHES, Editor, L.A. 6/18/58 furnished to the House

By Drew Pearson

The biggest prize in the shipping world in the last four years has been the operation of the first atomic merchant vessel ever built, the Savannah. Every qualified shipping line in the United States has wanted to get it.

It ended up, through a mysterious set of circumstances, in the hands of States Marine, which operates a large number of foreign-flag ships manned by foreign crews, but which happens to be in partnership with John A. McCone, who, at the time the Savannah contract was let, was chairman of the Atomic Energy Commission.

McCone is now up for confirmation to be head of the all-important Central Intelligence Agency, and a long set of circumstances put him in the position of having favored close business associates, such as the Henry Kaiser interests, when he has been in Government.

The inside facts in the award of the SS Savannah to the States Marine Line, which has a working partnership with McCone's personally owned Joshua Hendy Line, are hitherto unpublished.

In the spring of 1958, as seven steamship lines applied to operate the Savannah, Clarence Morse, then Maritime Administrator, appointed a special selection board of maritime experts to recommend the most qualified.

They recommended the American President Lines, with more than 30 years of American-flagship experience behind it, as the best qualified. The others, in order of their qualification, were: Isbrandtsen, Farrell, Moore-McCormack, Pacific Far East, States Marine, and U. S. Lines.

In other words, States Marine, the line with which John McCone has a working partnership, was next to last. Yet it ended up with the contract.

What happened, was that Maritime Commissioner Morse, answerable directly to Secretary of Commerce Sinclair Weeks, overrode his own board of experts. Morse explained lamely that the board had put too much emphasis on passenger service.

So the board went back into session, eliminated passenger experience as a criterion, and, adding up all the remaining factors, still came up with American President Lines as the best qualified ship operator.

However, States Marine, no longer handicapped by its lack of passenger experience, rated second. Higher ups in the Commerce Department then gave the contract to States Marine, as if the board had never met.

When I asked Under Secre-

tary Louis Rothschild, now retired, why he reversed the board of experts, he replied: "There had been too much lobbying."

He did not elucidate. "But States Marine chiefly operates foreign-flag ships," I pointed out. "The Savannah is to be the pride of the U. S. Merchant Marine. Did John McCone talk to you about this?"

"No," protested Rothschild emphatically. He added that one of States Marine's subsidiaries operated under the American flag.

"Besides," he said, "the House Merchant Marine Committee completely approved our decision."

Weeks Stepped In

Congressman Herbert Bonner, North Carolina Democrat, chairman of the House Merchant Marine Committee, told a different story. He had introduced the bill authorizing an atomic merchant vessel.

"We never approved their decision," said Rep. Bonner. "They came down here and told us what they were going to do, and that was that."

Morse had talked about putting the Savannah in the hands of different companies—the United States Lines in the Atlantic, the American Export Lines in the Mediterranean, Moore-McCormack in Latin America, and the American President Lines in the Pacific.

"But Sinclair Weeks, the Secretary of Commerce, was

calling the shots. He came before our Committee and told us that States Marine was going to get the Savannah. There must have been a terrific lot of influence used to give this to States Marine."

Whatever influence may have been used probably took place before John McCone took office as Atomic Energy chairman. He was confirmed on July 9, 1958, and the Savannah contract was awarded on July 25.

A busy Senate paid little attention to all this. Only one Congressman, Bonner of North Carolina, rather of the SS Savannah, challenged McCone's apparent conflict of interest. In a speech on the House floor, Aug. 21, Bonner said:

"I have no concern with the arrangements made by Mr. McCone to meet the technical requirements of the law in regard to the difficult problem of avoiding conflicts of interest faced by so many able and successful businessmen when called to public service."

However, the facts concerning the intimate business relationships which have existed between Mr. McCone and Mr. Mercer (head of the States Marine Lines) raise certain obvious questions when we seek to find the answer to the apparently illogical assignment of the nuclear ship Savannah to States Marine Lines by the Department of Commerce and the Atomic Energy Commission.

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UPI-143

(MCCONE)

WASHINGTON--PRESIDENT KENNEDY'S NOMINATION OF JOHN A. MCCONE TO HEAD THE SUPER-SECRET CENTRAL INTELLIGENCE AGENCY APPEARED HEADED TODAY TOWARD SWIFT SENATE APPROVAL ALTHOUGH A FEW SCATTERED QUESTIONS WILL BE RAISED.

MCCONE, 60-YEAR-OLD CALIFORNIA SHIPBUILDING EXECUTIVE, WAS NAMED THE NATION'S TOP INTELLIGENCE DIRECTOR DURING THE RECENT CONGRESSIONAL RECESS. A REPUBLICAN HE SERVED THE EISENHOWER ADMINISTRATION AS CHAIRMAN OF THE ATOMIC ENERGY COMMISSION AND THE TRUMAN ADMINISTRATION AS UNDER-SECRETARY OF THE AIR FORCE.

THE SENATE ARMED SERVICES COMMITTEE HAS SCHEDULED A HEARING ON THE NOMINATION NEXT THURSDAY. CONTINUING CONTROVERSY OVER A CLOSER CONGRESSIONAL SCRUTINY OF CIA PROMISED TO CROP UP AT THE CONFIRMATION HEARING.

SEN. EUGENE J. MCCARTHY, D-MINN., PRINCIPAL SENATE SPONSOR OF RESOLUTIONS TO ESTABLISH A CONGRESSIONAL WATCHDOG COMMITTEE FOR CIA, SAID TODAY THAT HE HAS ARRANGED TO APPEAR AS A WITNESS. HE SAID HE HAS NOT DECIDED WHETHER TO OPPOSE MCCONE'S CONFIRMATION AND STILL AWAITING RESULTS OF THE HEARING.

MCCARTHY SAID HE PLANS TO URGE THE ARMED SERVICES COMMITTEE TO LOOK INTO MCCONE'S QUALIFICATIONS. HE EXPECTS TO RENEW HIS PROPOSAL FOR A JOINT SENATE-HOUSE WATCHDOG COMMITTEE.

THE SENATOR SAID HE WILL SPECIFICALLY ASK THE ARMED SERVICES COMMITTEE TO REVIEW MCCONE'S ACTION IN 1956, WHEN, AS A TRUSTEE OF THE CALIFORNIA INSTITUTE OF TECHNOLOGY, HE SHARPLY CRITICIZED A STATEMENT ISSUED BY A GROUP OF CAL TECH SCIENTISTS. THEY PROPOSED THAT THE UNITED STATES ANNOUNCE THAT IT WOULD NOT TEST NUCLEAR WEAPONS AS LONG AS OTHER NATIONS DESISTED.

MCCONE'S LETTER TO THE SCIENTISTS WAS CITED AS A POSSIBLE INFRINGEMENT ON FREE SPEECH IN 1958 HEARINGS ON HIS NOMINATION AS AEC CHAIRMAN. MCCONE EXPLAINED THEN THAT HE FELT THE SCIENTISTS WERE USING THEIR UNIVERSITY AS A PLATFORM FOR A POLITICAL ENDORSEMENT OF FORMER GOV. ADLAI E. STEVENSON'S PRESIDENTIAL CAMPAIGN. 104-177-89-A

HIS NOMINATION AS CHAIRMAN OF THE AEC WAS SPEEDILY APPROVED. IN THAT POST HE ENJOYED A HARMONIOUS RELATIONSHIP WITH THE SENATE-HOUSE COMMITTEE ON ATOMIC ENERGY. HE HAS THE CONFIDENCE AND SUPPORT OF SOME OF ITS MORE INFLUENTIAL MEMBERS.

NO OTHER WITNESSES HAVE ASKED TO APPEAR AT THE HEARING. HOWEVER, AT LEAST ONE MEMBER OF THE ARMED SERVICES COMMITTEE IS KNOWN TO BE REVIEWING MCCONE'S WORLD WAR II RELATIONSHIP WITH SHIPBUILDER HENRY J. KAISER AND HIS KOREAN WAR ACTION WHICH GAVE KAISER INTERESTS AN AIR FORCE PLANE CONTRACT WHICH HAD BEEN EARMARKED FOR FAIRCHILD.

DATA ON THESE TRANSACTIONS WERE AIRED PRIOR TO MCCONE'S APPOINTMENT TO THE ATOMIC ENERGY COMMISSION AND REVIEWED BEFORE HIS CONFIRMATION.

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Washington

Merry-Go-Round

By Drew Pearson

McCone's Gravy From Uncle Sam Escapes FBI Sleuths

WASHINGTON. — President Kennedy has picked some A-1 men for high office—some of the best in the past two decades. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency which has a vital influence over American foreign policy.

Looking back over McCone's past he has a record for making money out of Uncle Sam unequalled by any other man now in government. The record is all spelled out in congressional hearings, and it would have been easy for the FBI to have read it. The FBI, however, asks questions. It doesn't read.

Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California Shipbuilding Company, of which McCone was president. It netted around a \$44,000,000 profit.

"What was the total cost to the government of building your yard?" asked committee counsel Marvin Coles.

"\$23,000,000," replied McCone.

"How much of the moneys of your corporation were invested in the physical yard?"

"A little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

"Oh, yes, there must have been."

A Wonderful Deal

"Did any of the executives receive management salaries that were reimbursable by the commission?"

"The executives . . . were reimbursed in a manner agreed to by the commission."

"And that was with government funds?" McCone was asked.

"That is correct."

"With material supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the government had turned over to McCone, Kaiser et al, all of the government's materials, machinery, and other facilities located at the shipyard estimated as worth about \$14,000,000.

"The government put in \$23,000,000 to the building of this yard," Counsel Coles asked. "At the time of the completion of the contract was there any government-owned shipbuilding material in California Shipbuilding Company's yards?"

"There was," was McCone's laconic reply.

Coles asked if the value of \$14,000,000 was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's alibi.

More Gravy

"Did you receive in addition

to this yard that had cost \$23,000,000 and this material which may have cost \$14,000,000 an additional sum of \$2,500,000 in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2,500,000."

"So in effect you got an additional \$2,500,000, did you?"

"You might put it that way," finally admitted the president of the shipping company.

Rep. Alvin Weichel, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4,000,000 in nonreimbursable expenses, which McCone said was given away in salary bonuses, charities, group insurance premiums, and ship-launching expenses.

"Did you give away \$5,000 diamond necklaces?" asked Congressman Weichel.

"No, we gave \$60 cigarette boxes," replied McCone, adding that the top gift was \$800 to a ship sponsor.

"The government got out both ways with it," pursued Rep. Weichel. "Your company was reimbursed for all the expenditures, for wages, materials, administrative costs, and everything except the \$4,000,000. And this \$4,000,000 you deducted from income taxes, so the government paid it that way. They did not pay it to you direct, but you deducted it from your income tax."

"To the extent that it lessened our tax," McCone concurred.

"Four million is a tidy sum, even around here," commented Weichel.

Summarizing the facts, McCone's fellow Republican, Congressman Weichel, said: "The total number of ships you built was 467. The plant cost the government \$23,000,000. There was \$14,000,000 worth of property there when it was finished and you got \$2,500,000 credit. That is roughly \$41,000,000."

Adding in some other figures and making a quick calculation, Weichel concluded:

"Altogether your company got \$91,000,000 for building 467 ships. Roughly, without the deduction of taxes, it cost the government nearly \$200,000 in fees

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The Morning Herald
Hagerstown, Maryland
January 12, 1962
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for each ship built by your company.

"The Todd (shipbuilding) people," Congressman Weichel pointed out, "had roughly \$11,000,000 in fees and the plant cost about \$14,000,000. Theirs was about half the cost to the government. Yours was \$200,000 per ship."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big government jobs and more profits in business.

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McCone Made Big WW II Profits

By Drew Pearson

With eight high officials fired from the Eisenhower Administration for conflicts of interest, it would seem mandatory that both Democrats and Republicans take a very close look at the conflict-of-interest issue before appointing and confirming new men.



John A. McCone, picked to replace Allen Dulles as head of the vitally important Central Intelligence Agency, has a record which is interesting on three counts:

1. He has made more money out of Uncle Sam on war contracts than perhaps any other man now working for the Government.
2. He has had a continuing close financial connection with the Henry J. Kaiser interests to which, as Under Secretary for Air, he gave a very interesting, quickie contract for making Flying Boxcars (C-119) in the record time of 10 days, at a price three times greater than that of Kaiser's competitor, Fairchild.
3. He is shrewd and able, which accounts not only for his capacity for making money but for his ability in keeping high Government positions under both Republicans and Democrats.

When McCone came up for confirmation as chairman of the Atomic Energy Commission on July 3, 1958, he let slip one interesting fact which puts him in a position of having a possible conflict of interest. Answering a question from Sen. Clinton Anderson (D-N.M.), he said:

"Yes, I have some business relationships with Kaiser, inasmuch as a jointly owned company, 25 per cent of which is owned by Hendy (Joshua Hendy Corp. of which McCone owns all the stock) and 50 per cent is owned by Kaiser Aluminum, has a long-range contract to transport Kaiser's bauxite from Jamaica to Baton Rouge."

Yet when McCone was being investigated by the late Sen. Styles Bridges (R-N.H.) and the Senate Armed Services subcommittee regarding his quickie C-119 contract to Kaiser, he claimed: "I have had no business relationship with Kaiser for years. I have no benefit to gain from the affairs of his companies. The statement therefore that I was a link in Henry Kaiser's 'chain of influence' should be corrected."

Nonetheless, Senator Bridges showed that McCone went to amazing lengths to switch part of a C-119 Flying Boxcar contract away from Fairchild in Hagerstown, Md., to Kaiser at Willow Run, Mich., at a cost figure which turned out to be \$1,339,140 per plane as against Fairchild's \$260,000.

A third congressional hearing, Sept. 25, 1946, shows the close financial kinship between McCone and Kaiser and why it was possible for Kaiser to barge in on McCone, have luncheon with him, and walk out with a multimillion-dollar contract as good as signed.

This third hearing probed the phenomenal war profits rolled up by both McCone and Kaiser when they were shipbuilding partners during the war, and when they parlayed an investment of \$100,000 into a profit of \$44,423,000.

McCone was then president of the California Shipbuilding Co., organized about one year before Pearl Harbor, when Todd Shipbuilding put up \$50,000, with another \$50,000 coming from the Betchel-McCone-Parsons Company, Henry Kaiser, and other companies associated with Kaiser and Betchel-McCone in building Boulder Dam.

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Phenomenal War Profits

This combine made a killing. Uncle Sam needed ships, was willing to pay any price for them, and the Todd-McCone-Kaiser combine went to town, though later Todd got out and left the West Coast field to Kaiser and McCone.

According to the sworn statement of Ralph E. Casey of the General Accounting Office before the House Merchant Marine Committee in 1946:

"It would seem when profits from Government contracts paid from public funds soar to such astronomical heights in proportion to invested capital, someone should come forward with a satisfactory explanation."

He went on to testify: "The California Shipbuilding Corp. was incorporated Jan. 6, 1941, and the entire cash investment represented by 1000 shares of capital stock at a par value of \$100 consisted of \$50,000 invested by the Todd shipyards and \$50,000 invested by 10 companies affiliated with Henry J. Kaiser."

"About a year later, on Feb. 19, 1942, a meeting was called for the purpose of declaring dividends out of the surplus. The minutes of the meeting said:

"After a full discussion upon motion duly made . . . it was unanimously resolved that a dividend of \$1000 per share be, and the same hereby is declared."

This, concluded GAO executive Casey, was a profit of \$1,000,000 on the investment of \$100,000 within one year—all at the expense of Uncle Sam's shipbuilding business.

The profitable partnership between Kaiser and McCone continued until it rolled up a war profit of \$44,423,000 and, according to McCone's own testimony, the association is continuing in the form of a joint shipping line today. In between, McCone, as Under Secretary of the Air Force, helped swing one of the juiciest airplane contracts in history to Henry Kaiser.

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The Washington Merry-Go-Round

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Yet when McCone was being investigated by the late Sen. Styles Bridges (R.-N.H.) and the Senate Armed Services subcommittee regarding his quickie C-119 contract to Kaiser, he claimed: "I have had no business relationship with Kaiser for years. I have no benefit to gain from the affairs of his companies. The statement, therefore, that I was a link in Henry Kaiser's 'chain of influence' should be corrected."

Nonetheless, Senator Bridges showed that McCone went to amazing lengths to switch part of a C-119 Flying Boxcar contract away from Fairchild in Hagerstown, Md. to Kaiser at Willow Run, Mich. at a cost figure which turned out to be \$1,339,140 per plane as against Fairchild's \$260,000.

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This third hearing probed the phenomenal war profits rolled up by both McCone and Kaiser when they were shipbuilding partners during the war, and when they parlayed an investment of \$100,000 into a profit of \$44,423,000.

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WASHINGTON MERRY-GO-ROUND

Both Parties Urged to Keep Eye on the Conflict-of-Interest Issue

BY DREW PEARSON

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Cone went to amazing lengths to switch part of a C-119 Flying Boxcar contract away from Fairchild in Hagerstown, Md., to Kaiser at Willow Run, Mich., at a cost figure which turned out to be \$1,339,140 per plane as against Fairchild's \$260,000. It all began over a luncheon between Henry J. Kaiser and Under Secretary McCone after Kaiser's venture in the auto industry had been a flop.

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Another congressional hearing on Sept. 25, 1946, shows the close financial kinship between McCone and Kaiser and why it was possible for Kaiser to barge in on McCone, have luncheon with him, and walk out with a multi-million-dollar contract as good as signed.

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Los Angeles Times

Date 1/11/62

Los Angeles Division

Editor: NICK B. WILLIAMS

RE: JOHN A. MC CONE

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WASHINGTON MERRY-GO-ROUND

Senate Committee May Review 'Amazing Testimony' on McCone

BY DREW PEARSON

One of the first problems facing the Senate Armed Services Committee will be to review the record laid down by its late, much-loved senior Republican, Styles Bridges of New Hampshire, regarding President Kennedy's new chief of Central Intelligence.

The new CIA chief, John A. McCone, was appointed by Kennedy just a few days after Congress adjourned last September and it is now up to the Senate Armed Services Committee to confirm him.

If Sen. Bridges' colleagues turn to their own subcommittee hearings of June 2, 1953, and thereafter, they will find some amazing testimony by and about the new CIA chief.

Amazing as it is, the testimony is not quite complete, because later testimony by McCone before the Joint Atomic Energy Committee, July 2, 1958, shows that he must have been guilty of a conflict of interest when as undersecretary of the Air Force he awarded a Flying Boxcar contract to the Kaiser-Frazer Co. for three times the price the government was paying to the Fairchild Corp.

One Republican, Rep. Alvin O'Ronski, of Wisconsin, charged his fellow Republican, McCone, with being "merely on leave of absence from his position of president of the Bechtel-McCone Corp., becomes undersecretary of the Air Force and arranges a nice fat gift for Kaiser, and that is how Kaiser manages to continue to suck defense dollars while our boys in Korea die for lack of planes."

McCone denied the statement. However, he did not deny that the

Bechtel family owned 4200 shares of Kaiser-Frazer common stock. He also had a hard time putting a good light on the highly unusual chain of facts which Sen. Bridges placed before the Senate Armed Services subcommittee as to how Kaiser got the Flying Boxcar contract.

At that time, 1950, Henry J. Kaiser's attempt to rival other auto manufacturers with the Henry J small-sized car and other Kaiser-Frazer makes had been a flop. He had a heavy overhead, a factory at Willow Run, Mich., which was closing down, and a large supply of machinery on hand. He had to get off the hook.

Los Angeles Times

Date 1/10/62

Los Angeles Division

Editor: NICK B. WILLIAMS

RE: JOHN A. McCONE

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According to the testimony unearthed by Sen. Bridges, Kaiser's close associate with whom he had been engaged in West Coast shipbuilding, John A. McCone, got him off the hook. McCone produced a quickie contract to manufacture the C-119 or Flying Boxcar.

The contract was consummated in the record time of 10 days. The deal was even sewed up four days before Kaiser submitted its estimate as to what the Flying Boxcars would cost.

The cost per plane as built by Kaiser was to be \$688,365, as compared with \$260,000 per plane as built by Fairchild in Hagerstown, Md. The Air Force, under McCone, however, took part of the contract away from Fairchild, despite the higher cost. McCone, trying to explain this to Sen. Bridges, alibied that the Defense Department wanted to develop secondary suppliers. He had to admit under cross-examination, however, that Secretary of Defense Marshall had issued the directive on "second suppliers" only after the

Kaiser contract had been negotiated.

In the end Kaiser charged the Air Force not \$688,365 as estimated, but \$1,339,140 per Boxcar. It even charged up to the Air Force \$78,000 for liquor, food and the cost of a dedication party for its first C-119 — though this was caught and disallowed by Air Force auditors.

The amazing, high-speed negotiations began on Dec. 5, 1950, when Kaiser, hard-pressed from his unsuccessful auto venture, applied to the Reconstruction Finance Corp. for a \$25 million loan. He was told he could get it if he had a government contract.

Later that same day, thanks to his old shipbuilding partnership, he had lunch with McCone, then under secretary of the Air Force in charge of procurement. Son Edgar Kaiser was also present, together with Lt. Gen. K. B. Wolfe, deputy chief of staff for materiel. At this luncheon, Senate hearings showed, the plan to build C-119s in the Kaiser Willow Run plant was discussed.

On Dec. 6, one day later, the Kaisers appeared at the Fairchild plant in Hagerstown and demanded engineering data on the C-119 which Fairchild had developed and was then producing. Under an Air Force contract Fairchild was required to give the data to a competitor.

Nine days later, Dec. 15, the decision was reached to award the Flying Boxcar contract to Kaiser. No facilities or cost studies had been made, and the Air Force had no idea what Kaiser was going to charge Uncle Sam for being bailed out at Willow Run.

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DORIS FLEESON

Watchdog Committee On the CIA

Opponents of McCone as Director Are Expected to Press for Action

Senators opposed to the confirmation of John A. McCone as director of the Central Intelligence Agency will press for a CIA watchdog committee, win, lose or draw. Sentiment for such a committee has long existed, Senate Majority Leader Mike Mansfield being among those sharing it.

Democrats generally swallowed hard when President Kennedy chose Mr. McCone, who would have been Richard Nixon's Secretary of Defense had last year's election gone the other way. But there is much, much more than political resentment in the effort to stop Mr. McCone, or at least to contain his influence at the White House.

CIA is the intelligence organization which succeeded the wartime outfit, OSS (Office of Strategic Services), whose nickname was "Oh, so social." That part of the CIA iceberg which is above water here and abroad amply suggests that it is a legitimate heir, so much so that one frustrated observer insists that "the first thing to do is get CIA off the Georgetown cocktail circuit."

A more basic criticism is that an outfit so constituted does not and cannot understand the hopes and resent-

ments of ordinary people which are convulsing so much of today's world. Such critics argue that CIA always falls back on purely military concepts, and they cite the Cuban fiasco to prove their point.

The McCone opposition does not believe he will want to give CIA a change of direction or temper, and they point to his record. It is conceded that he holds to his views honestly and openly, has great business ability and personal charm.

His record was exhaustively canvassed by the Joint Committee on Atomic Energy when President Eisenhower named him to succeed the ill-fated Lewis Strauss as Atomic Energy Commission chairman.

It showed that all McCone associations and attitudes were extremely conservative. A major exhibit was an angry letter Mr. McCone sent in 1956, as a Caltech trustee, to the Caltech faculty members for releasing a statement supporting Adlai Stevenson's proposal for a ban on H-bomb testing. He accused them of parroting Soviet propaganda in an effort to create fear that H-bomb fallout endangers life.

Five years later, an impor-

tant Senator deeply involved in the situation says of the letter:

"It was very bad. McCone did not have the facts. He said they were speaking for Caltech and they were not. He hated to concede that they had a right to speak as citizens. We warned him his attitude was wrong and would only get him into all kinds of trouble."

The joint committee majority concluded it could keep him off the political preserves and that AEC would benefit from his driving purpose and competence. Their relations were good during his tenure, partly because he scrupulously kept his congressional channels clear.

CIA is, in a sense, a rival State Department, operating in the shadows. Mr. McCone's sponsors favor the harp-belled line. It is this aspect on which the opposition will dwell.

The Washington Post and Times Herald _____
 The Washington Daily News _____
 The Evening Star 17-23 _____
 New York Herald Tribune _____
 New York Journal-American _____
 New York Mirror _____
 New York Daily News _____
 New York Post _____
 The New York Times _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal _____
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John Alex McCone

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McCone Selection Criticized by Some

John A. McCone

By Chalmers M. Roberts
Staff Reporter

SOMETIME this week John A. McCone will return to Washington, ready to begin the process of taking control of the Central Intelligence Agency. His surprise appointment has caused murmurs and muttering, to put it mildly, in some sectors of the New Frontier.

One member of the Washington in-



Roberts

News Analysis

telligence community who deals with the CIA called the appointment "outrageous." A number of scientists-in-Government, likewise, were furious. There have been reports that some CIA employees were threatening to resign and a number of others are at least in a skeptical mood today.

But public, on-the-record, opposition so far has been minute. Sen. Eugene J. McCarthy (D-Minn.), commented the other day that "there is nothing particular to recom-

mend Mr. McCone as director of the CIA."

But Sen. Clinton P. Anderson (D-N.M.) called McCone "a very able, conscientious public servant," adding: "Though we did not always see eye to eye, he stuck to his commitments to me." Anderson was speaking of the years when McCone was President Eisenhower's Chairman of the Atomic Energy Commission and the Senator was Chairman of the Joint Congressional Atomic Committee.

Well informed persons insist that James R. Killian, who now heads the Massachusetts Institute of Technology, was so out of sort over the appointment that he threatened to resign as Chairman of President Kennedy's Foreign Intelligence Advisory Board. When asked, Killian said there is "absolutely nothing to it." He did say that the board was not asked to pass on the nomination. Other sources say that he and Clark Clifford, Washington attorney and a member of the group, did give their endorsement.

PRESIDENT Kennedy kept his choice so secret until almost the point of announcement that those he knew to

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The Washington Post and Times Herald _____
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New York Journal-American _____
New York Mirror _____
New York Daily News _____
New York Post _____
The New York Times _____
The Worker _____
The New Leader _____
The Wall Street Journal _____
Date _____

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JAN 11 1962

be opposed had no chance to mount a counter-offensive once they realized he was about to tap McCone. There was only time enough for a leak to the press half a day before the appointment.

Killian's successor as President Eisenhower's scientific adviser, George Kistiakowsky, also is reported to be unhappy, as is Mr. Kennedy's science adviser, Jerome Wiesner. Such feelings appear to reflect views of a number of scientists and others who have become involved in the nuclear test ban issue. They have never forgiven McCone for what he did during the 1956 presidential campaign.

After Adlai Stevenson had come out for a test ban, 10 scientists at the California Institute of Technology issued a statement of support. McCone, then a Cal Tech trustee, was outraged. He contended the scientists, among them Harrison Brown and Thomas Lauritsen, were approving a unilateral stoppage of tests by the United States.

He wrote a letter to Lauritsen saying the scientists' statement was "obviously designed to create fear in the minds of the uninformed that radioactive fallout from H-bomb tests endangers life. However, as you know, the National Academy of Sciences has issued a report this year completely discounting such danger." McCone also accused the scientists of being "taken in" by Soviet propaganda that a test ban would delay the day other nations would get the bomb.

This row brought recurrent rumors that McCone tried to get the 10 professors fired. He was out of the U. S. last week, on a CIA look-see, and could not be asked directly.

SEN. ANDERSON, who chaired the confirmed hearing for McCone's 1958 AEC appointment, then absolved McCone by saying at the hearing that "Mr. McCone took them pretty strongly to task and there were suggestions, which I understand he did not make, that they all be fired." McCone added that "there was no scientist fired from Cal Tech on advice or recommendation from me, sir."

McCone said that he felt the scientists had "used their position as professors of distinction at the California Institute of Technology not to express themselves on a particular technical matter, but to inject themselves into a political discussion." He said they had "an absolute right" to do that "but not using the university as a platform for so doing, in my opinion."

In reply to Anderson's questions, McCone said he felt that two other scientists, equally vocal on McCone's side of the test ban issue—Edward Teller and the late Ernest O. Lawrence—had spoken as individuals. McCone did in the end agree that the 10 had signed the statement as individuals rather than as Cal Tech professors.

THE NUB of all this is that at least an important sector of the scientific community felt McCone was infringing on academic freedom and at least threatening to have the 10 at Cal Tech fired for their views.

Hence, it is argued by McCone's opponents, he is not a man with an open mind, with the kind of view toward free inquiry and free expression required to head the Nation's chief intelligence body.

The CIA, they say, must consider even the most seemingly scatter-brained idea and get to know even the most obscure personalities. It is outgoing CIA chief Allen Dulles himself, some recall, who likes to tell of his own goof: the time many years ago he went off to play tennis instead of accepting a suggestion that he have a cup of coffee with an obscure revolutionary at a cafe in Geneva, a fellow known as V. I. Lenin.

WHILE THOSE close to the President who favored the appointment are aware of these criticisms, one of Mr. Kennedy's intimate advisers had never heard of the Cal Tech affair until this reporter asked him about it.

This official and others close to President Kennedy privately acknowledge that the McCone appointment has not been greeted with cheers all along the line. But they point out that, as one put it, "there will be so many checks and balances" on his operation of the CIA that his opponents need not worry.

There will be a scientific board, through which McCone's critics will have access to the President, and there also is a newly strengthened, high-level interdepartmental committee to oversee CIA's major ventures.

The McCone backers consider him a man who "has a toughness" and who "can make up his own mind," though they say he is "apt to be stubborn." Among his enthusiastic endorsers, it is reported, is Robert A. Lovett, the former Defense and State Department official on whom the President from time to time calls for advice.

Another who played a role in the appointment was Sen. Anderson. He said he was consulted by the President in advance of the appointment and "I did everything I could to get him (McCone) to take it." Anderson's view of McCone is that "he is persuaded strongly that the Russians are not up to any good, that they are deceiving us. He believes they were cheating on the test ban though I don't. McCone is not a neutral; he is against the Russians."

THIS hard-line approach by McCone is no secret. Immediately on taking over the AEC chairmanship, he did his best to persuade Secretary of State John Foster Dulles not to agree to a test ban moratorium, but without success. He later fell in line publicly with the test ban treaty talks, but it was evident he never really had his heart in it.

Some of McCone's opponents, including some within the Washington intelligence community who obviously do not want to be identified, consider this attitude a fault in a CIA boss—Not that he is "against the Russians," but that he is so dogmatic about it that they think it could color his intelligence report to the President.

McCone himself no doubt would flatly deny any such thing.

About two and a half years ago, in an interview with an Associated Press reporter, McCone recalled that he had been Air Force Undersecretary in the Truman Administration. "In my Air Force days," he said, "I was devoted to the concept of massive retaliation—and I still am."

This was the doctrine so strongly fought by Gen. Maxwell Taylor, now President Kennedy's military adviser, who is among those who are unenthusiastic about the McCone appointment.

McCone will go to work, first alongside Dulles and then succeeding him in mid-November, under a recess appointment from the President. He will come up for Senate confirmation next January. But it is unlikely that the Armed Services Committee, which will conduct the hearing and some of whose members control the CIA's secret budget, will raise any real objections.

Despite this, the McCone appointment can properly be called the most controversial of any yet made by President Kennedy to post of major importance. No one doubts McCone's long record of accomplishment in both public service and private industry. But many Administration officials will be watching to see whether he is indeed the man to run the CIA.